Daily Report

Latin America

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Cuba

U.S. Human Rights Resolution Deemed 'Vendetta'

PA0503130891 Havana International Service in Spanish 1400 GMT 3 Mar 91

[Text] Deputy Foreign Minister Raul Roa Kouri has called the draft resolution presented by the United States to the UN Human Rights Commission a political vendetta against Cuba.

The resolution calls for the appointment of a special representative to control and monitor the citizens' rights on the island.

In statements to this station Roa Kouri said that the U.S. document attempts to involve the commission in the slander campaign that the United States has maintained against Cuba since the triumph of the revolution in 1959.

The deputy foreign minister explained that the U.S. Government had hoped that the report issued by UN Secretary General on contacts with Cuban authorities would repeat the lies of the U.S. slander campaign about human rights violations on the island.

The most important point, said Roa Kouri, is that on 1 March the Group of Rio, with the support of other nonaligned countries, presented a Latin American project urging the U.N. secretary general to maintain contacts with the Cuban authorities, as he does with other countries, but it is based on the premise that human rights are not violated on the island.

Nujoma Praises Cooperation on Independence

FL0503173991 Havana Radio Reloj Network in Spanish 1502 GMT 5 Mar 91

[Text] In Havana Sam Nujoma, president of the SWAPO [South-West African People's Organization] and chief of state of the Republic of Namibia, has praised the Cuban victory in Cuito Cuanavale, a decisive battle in the implementation of the UN resolution on the independence of Namibia.

During a visit to the Africa House in the company of Revolution Commander Juan Almeida, vice president of the Council of State, the Namibian leader repeatedly praised Cuban aid to Angola and donated several handicraft objects.

Nujoma thanked Cuba and handed Namibian leather handicraft, wicker baskets, and collars of beautiful shapes and colors to Africa House Director (Claudia Mola).

Havana City historian (Eusebio Leal) stated that these gifts were now part of the patrimony of the Africa House which until today exhibited only one Namibian piece donated by Juan Almeida.

Visiting Peru Governor Signs Friendship Accord

FL0503202991 Havana Tele Rebelde Network in Spanish 1800 GMT 5 Mar 91

[Text] (Victor Manzur), governor of Arequipa, Peru, has been visiting Cuba for a few days in response to an invitation extended by the Havana Province People's Government.

(Victor Manzur Suarez), governor [words indistinct] Peru, concluded his one-week visit to Havana Province with the signing of a friendship delcaration. Victor Fernandez, president of the Havana Province People's Government, signed the declaration on behalf of Cuba. This declaration seeks to promote trade, and cultural and friendship cooperation, in line with the struggle for peace and the process of Latin American integration. It adds: this friendship declaration also constitutes an expression of solidarity with the Cuban people.

[Begin Manzur recording] The thousands of kilometers that separate Arequipa from Havana Province disappear in view of our deep friendship, and complete identification and solidarity [with the Cuban people]. This is why we will always be at your side to defend your process. [end recording]

The Cuban Government and the Arequipa regional Government also signed a document promoting the development of trade in the areas of health, education, agro-industry, and the supply of Arequipa products to Cuba.

DPRK Youth Leader Visits Isle of Youth

FL0603031091 Havana Radio Rebelde Network in Spanish 0011 GMT 6 Mar 91

[Elba Salazar report on the "Exclusive" program]

[Text] (Choe Ryong-hi), the president of the League of Socialist Working Youth of Korea, visited the Isle of Youth today. He talked with students from that fraternal Asian nation who are studying on the Isle of Youth. The youth leader arrived in the early hours of the morning accompanied by Roberto Robaina, an alternate Politburo member and first secretary of the National Committee of the Union of Young Communists. They toured the Model Prison and the Municipal Center for Applied Arts. (Choe Ryong-hi), the president of the League of Socialist Working Youth of Korea, said that today it is more necessary than ever to have closer ties of friendship between nations. Likewise, in speaking to the Korean young people who are studying here on the Isle of Youth, Roberto Robaina express the [words indistinct] that the Cuban people and youth feel for the Korean people.

Miret Chairs Meeting on Basic Industry

FL0603015091 Havana Radio Rebelde Network in Spanish 0010 GMT 6 Mar 91

[Elba Salazar report on the "Exclusive" program]

[Text] The implementation of the magnetic program and installing a plant to produce a diesel-water emulsion were the

most important points discussed today at a working meeting held on the Isle of Youth. The meeting was chaired by Politburo member Pedro Miret Prieto and attended by representatives of most Isle of Youth enterprises. Miret and Eugenio Mainegra, head of the Basic Industry Department of the Central Committee, expressed interest in the use on the Isle of Youth of a diesel-water emulsion produced through a technological process which results in better utilization of the fuel. Regarding the magnetic program, Miret explained the advantages of magnetism in medicine, agriculture, and industry. The topic of preparations for the sixth spare parts forum and the favorable situation of the Isle of Youth in fuel conservation were also discussed at the meeting.

Vilma Espin in Caracas for Women's Congress

FL0503190991 Havana Radio Progreso Network in Spanish 1725 GMT 5 Mar 91

[Text] Vilma Espin, president of the Federation of Cuban Women, said upon her arrival in Caracas that women have always been involved in every step of the current search for total integration of Latin America. Vilma Espin, who will participate today in the inauguration of the Second National Women's Congress in Caracas, pointed out that this one [not further specified] like all the other ones in the continent that are struggling for integration.

Venezuelan President Carlos Andres Perez will participate in the first session. Hundreds of representatives from national and international organizations and foreign guests will also attend. Vilma Espin said the congress will give Venezuelan women of all social levels a chance to voice their claims and needs within the context of national unity.

Inter-Caribbean Affairs

Regional Survival Said Dependent on Integration

FL0603013691 Bridgetown CANA in English 2218 GMT 5 Mar 91

[Text] Bridgetown, Barbados, March 5, CANA—The Caribbean Community (Caricom) [Caribbean Common Market] needs to quicken integration and respond constructively to the U.S. Enterprise of the Americas Initiative (EAI), says Caribbean Association of Industry and Commerce (CAIC) executive director Pat Thompson.

"We should respond by entering as a region into a framework agreement with the U.S. under the initiative which will enable us to put trade and investment policy issues on the table that we have concerns about," he told Canaradio [Caribbean News Agency Radio].

Thompson, hopeful of Caricom advancing regional free trade plans, said governments aproaching EAI would need to review trade and investment policies, to see if changes are required to expand intra-regional trade and foster regional efficiency as preconditions for developing competitiveness in a free trade [arena].

EAI, proposed by U.S. President George Bush, provides for reciprocal free trade in the hemisphere, increased U.S. investment in countries which undertake investment and other reforms, and reduction of bilateral debt with the United States.

The Caribbean risks being marginalised if it is left out of the EAI, Thompson warned. He said trade and investment preferences under the Caribbean Basin Initiative, a Caribbean-Canada Deal, and the Lome Convention, linking developing countries to the European Community, are being eroded by "Europe moving toward [a] single market in 1992, the existing U.S.-Canada free trade area, and the (possible) larger North American free trade area."

"We need to face up to that, and to do something about it, or else our exports will drop further, our unemployment will rise, [and] our foreign exchange reserves will be further contracted," Thompson said.

"Perhaps one of the virtues of the fast-paced developments that are happening in the international economic arena, and particularly this Bush Initiative, is that it will force us to increase the pace at which we are grappling with the issues of regional integration, of competitiveness, of productivity," Thompson said.

"We're in a world where we are not ready to compete, but the free trade areas are a reality." Thompson said he hoped the impetus to quicken integration would see an advancing of the end-of-1993 regionally-agreed deadline for Caribbean Community free trade.

Dominica Minister Comments on OECS Unity

FL0503174091 Bridgetown CANA in English 1645 GMT 5 Mar 91

[Text] Roseau, Dominica, March 5, CANA—Dominica's minister for OECS (Organisation of Eastern Caribbean States) unity Brian Alleyne says Windward Island governments are neither rushing into political union nor promoting unity as a cure for all ills. "The governments are saying there are problems with unification. We are examining those problems, we are discussing them with the people. There are problems whether we remain as we are or whether we move forward, so problems must not frighten us," Alleyne said.

Responding to opposition parties criticism of the unity process, Alleyne said political union is critical for effective management of the new economic realities of the region. He accused the Standing Conference of Popular Democratic Parties of the Eastern Caribbean (Scope) of offering its members as alternative governments while seemingly having no ideas of their own on the question of unity.

He dismissed as "political rhetoric and garbage" a Scope charge that the governments were bankrupt of ideas and

viewing OECS unity as their salvation. "We recognise the need to move forward. If the people don't recognise that need..... then we will remain as separate independent countries. But we believe that that will be to our disadvantage," Alleyne told CANA.

"We are also saying that if we just sit back and allow things to take their course, nothing will ever happen. We are saying that the management structures within the OECS do not allow us to make too much more progress at the economic level of cooperation," Alleyne added.

Alleyne said the sovereignty of the separate states is an impediment, with "each country even having agreed on a course of action at a meeting of ministers or even of heads of government, when they go back home, they either don't have the political will to carry the decisions through."

He said however that the governments are performing well under trying circumstances. The OECS unity minister said the governments did not wish to spend much time and money on unity if people were not interested, and therefore chose a two phase approach, requiring a referendum on whether to go ahead, before the detailed work necessary for a final arrangement.

Haiti

Aristide Views Electricity Shortage, Solutions

FL0603000591 Port-au-Prince Radio Haiti-Inter in French 1200 GMT 2 Mar 91

["Exclusive" interview with President Jean-Bertrand Aristide by Pierre Emmanuel on 1 March; place not given—recorded, in Creole; first four paragraphs are live radio introduction]

[Excerpts] [passage omitted] It is because some international partners have not respected their promises that the electricity problem remains unsolved. This is what the president of the country, Jean-Bertrand Aristide, said in an exclusive interview given to Radio Haiti.

President Aristide also admitted that the Electricity [Authority] of Haiti [EDH], could solve this financial problem alone if it did not have a deficit of $17 million, due to corrupt former administrations of thieves and plunderers. This challenge that we now face, the EDH problem, will teach us not to rely solely on the promises of foreign countries; it will activate the transformation the country hopes to achieve within the EDH.

The president said that people who owe the state must pay the state. President Aristide spoke of friendly countries which have not kept their word. There are, however, many which are willing to help and have proven it. He cited Venezuela as an example, which has already sent three Venezuelan technicians to evaluate the electricity problem and to help solve it.

According to Aristide, we are at a crossroads that will allow us to see what democracy means to those other countries, when we remember that $1 billion was spent per day in the war to liberate Kuwait, while there is hesitancy to help a country which is trying to set its democracy in motion.

[Aristide] [passage omitted] If they managed to spend over $1 billion per day to wage the Kuwait war now we will see what kind of cooperation will be offered to help ease our democratic transition. It is at this very crossroads of truth that I was waiting for everybody so that we know how... [rephrasing] We will see who really offers their collaboration to this newborn democracy while we are striving as a responsible government to provide openness, justice, and participation, without kneeling to anybody, without arrogance, and without flattery.

In the past, dictatorial governments in Haiti received help. In the past, corrupt governments in Haiti received help. Now, the democratic government in Haiti will collaborate with other civilized, democratic governments so that these blackouts in Haiti are not matched by another kind of darkness, the kind that used to exist between one country and another. We would rather have these blackouts turn into the light of openness between one country and another.

It is important that Haiti understand the necessity of consolidating its pride, its dignity, and its loyalty. There are Haitians, for example, who are able to help. I take this opportunity to congratulate the private sector because there are those who see the emergency, and have made appreciable efforts to help provide a solution. A solution will not come today, but it will probably be achieved before too long.

[Emmanuel] Mr. President Aristide, there is now an emergency, this matter of blackouts, which you must handle straightaway. You said there are partners who did not respect their commitments. There are turbines which were supposed to arrive, according to the provisions of an agreement. Nevertheless, will it be possible for you to bring an end to this crisis, not a general or total end, but an end which could at least allow EDH to respect a schedule concerning the blackout problem?

[Aristide] For now, a solution which could provide electricity next week at the rate of forty megawatts per day, is a barge, a boat, that could arrive in the country and provide electricity immediately for about six months. We have taken steps in that direction. We hope it will be a possibility. There is one arrangement we are trying to negotiate, though it would cost $3,210,000 per month. That is no small change, but it is a possibility, and not out of the question if all the conditions are met.

The barge would come from the Dominican Republic. Other generators are to come from Miami. There is the matter of compensation. There are people who have already taken steps to secure this compensation for us. We recognize this move toward solidarity, and appreciate the effort, at the same time hoping that it will

become concrete before long. If this solution is to materialize, we hope it does not come late, but as soon as possible, even as early as next week.

Efforts are also being made so that in seeking solutions for later, we also find solutions for now. For later, it is certain that we will manage to find the solution. That means that if we have repairs made to the existing pieces of equipment, a lasting solution will also be found for later. When I speak of repairs, I refer not only to Port-au-Prince, but to Cap-Haitien as well.

Megawatts of 1.5 per day is nothing. It is not only Cap-Haitien. We must manage to provide electricity throughout the country on a long-range basis, for the future, so that the factories that will be established can be located not only in Port-au-Prince, but all over the country.

There must also be telephone service. Even if this is not part of the electricity situation, it is another needed service which must be available all over the country so that the development we implement can benefit the whole country. We must make everyone understand that it is not enough to think of a solution for Port-au-Prince alone, but to envision it for the entire country, even if for now, Port-au-Prince must get more electricity as soon as possible so that it can keep running —its factories, refrigerators, freezers, and domestic electrical appliances.

I wanted to reassure you that steps are being taken, and we hope these steps will bear fruit before long.

[Emmanuel] President Aristide, this is perhaps an indiscreet question, but how many countries are you dealing with on the electricity matter?

[Aristide] I am negotiating with five or six countries and all of them have so far developed very good relations with me. There are very good relations with Germany, for instance, even though the $3 million, which was supposed to arrive concurrently with Hydro-Quebec's $1 million, would enable a quick solution. Although there were modifications in what was said before 7 February, to what was said after, Germany is still willing to provide whatever possible toward future cooperation even though it is supposedly not in the electricity field. This contract.... [changing thought]

The diplomatic relations remain very cordial. I welcome diplomatic relations with Germany. While developing a harmonious diplomatic relationship, one must not mix it up with relations of material cooperation. A free country opposite another free country, this is not a country begging, kneeling down before a wealthy country. One develops good relations with a country with head held high, with respect on both sides, in dignity on both sides, without necessarily including in this relationship the matter of help with electricity.

What I said about Germany, I could also say about Canada. Relations with Canada are very good, and there are possibilities that these good diplomatic relations are partially linked to the solution which can end this crisis. That will depend on what they do later.

Concerning the Americans, relations are also very good, and they are willing to help us find a solution. There is something important to point out here. You can see that all the efforts I personally made before 16 December toward a marriage between the civilians and the Army in Haiti can also apply to diplomatic relations between Haiti and other countries, including the United States. I am very happy and they are also very happy when we see together what a harmonious relationship is being developed at the diplomatic level. The Haitian Government and the U.S. Government are joining more and more closely for the progress of the country.

That does not prevent doubts from remaining in the minds of the Haitian people in relation to U.S. policy, even though these doubts are not in my mind as president of Haiti. The increase or decrease of doubt in the minds of the Haitian people will depend on the answers the U.S. Government can provide, in concrete terms, concerning this electricity problem.

Inasmuch as I would like the doubts to decrease more and more, I think it is my responsibility to work toward a solution to the electricity problem as soon as possible. As a solution brings fewer doubts to the people's minds and stronger convictions, together with the U.S. Government, we can end up with an interesting emergency solution over the next few weeks.

I have already talked about Venezuela. [passage omitted]

El Salvador

Ponce: Elections Not To Be Held in Some Places

PA0503234091 San Salvador Radio Cadena YSU in Spanish 1800 GMT 4 Mar 91

[Report on interview with Defense Minister General Rene Emilio Ponce by unidentified reporters—place and date not given]

[Text] [Begin recording] [Ponce] We are implementing a previously prepared plan that was authorized by the Armed Forces General Command to guarantee nationwide elections. We are taking the necessary measures to fulfill that mission.

[Reporter] What do you think is the objective of the FMLN [Farabundo Marti National Liberation Front] in declaring a military truce during the elections?

[Ponce] We must not forget that the FMLN has been under strong international pressure. Also, it made that decision as a gesture of goodwill toward the opposition political parties that participated in a meeting with the FMLN in Mexico. The position adopted by some of its leaders is completely contradictory, which creates doubts. Therefore, the Armed Forces must carry out its constitutional duty. [end recording]

Ponce said that he will meet with members of the Central Electoral Council [CCE] this afternoon to determine the municipalities where no elections will be held. General Ponce confirmed that there are places in Chalatenango, Morazan, and San Miguel where it would be difficult to install voting sites.

[Begin recording] [Ponce] I will meet with members of the CCE this afternoon to decide in which specific municipalities there will be no elections.

[Reporter] Does that include Chalatenango?

[Ponce] I believe there are problems in Chalatenango, Morazan, Usulutan, and San Miguel. Therefore, we must determine specifically where elections will be held. The problem is that there are some ghost municipalities [municipalidades fantasma] where there are no troops. Examples of this are Cinquera, here in Cabanas Department, and Arambala in Morazan. We must take all those factors into consideration. In addition, there are places where identification cards have not been distributed and therefore residents have not been duly registered. Those are some of the points I must discuss with the CCE. [end recording]

With regard to the support given by the National Union of Salvadoran Workers, UNTS, to the Democratic Convergence, Gen. Ponce said that the Army has confidential information that the workers' decision is based on orders from the FMLN.

On another subject, Gen. Ponce denied that the Armed Forces are trying to destroy Radio Venceremos, describing the guerrillas' accusations as speculation.

Deputy Minister on Measures To Protect Observers

PA0603043791 San Salvador Radio Cadena Horizonte in Spanish 1200 GMT 5 Mar 91

[Text] Deputy Security Minister Colonel Inocente Orlando Montano has disclosed a plan to be carried out by the police during the elections in order to protect international observers and voting sites throughout the country.

According to Col. Montano, there will be security agents at all of the polling stations in order to protect the lives of foreign observers and guard the ballot boxes. He added that no soldiers will be allowed in those areas.

[Begin Montano recording] First of all, to protect the lives of international observers, and also to provide security at all the voting sites here in the capital and in the interior of the country. [sentence as heard] The plan is very simple. It consists of protecting the polling stations with security agents and the surrounding areas with military units. There will be no soldiers at the voting sites. [end recording]

Col. Montano said that although there is no knowledge of plans by the Farabundo Marti National Liberation Front to obstruct the legislative and municipal elections, public security agents will be more vigilant in the metropolitan areas of San Salvador.

[Begin recording] [Unidentified reporter] Do you have any knowledge of any type of sabotage [words indistinct] particularly in the metropolitan areas?

[Montano] No, so far we have no information to that effect. Nevertheless, there will be heightened security in San Salvador. The military detachments in each one of the departmental capitals will be responsible for their respective areas. [end recording]

Army Suspends Conscription During Elections

PA0503211691 Panama City ACAN in Spanish 2015 GMT 5 Mar 91

[Text] San Salvador, 3 Mar (ACAN-EFE)—Central Electoral Council (CCE) President Jaime Romero Ventura reported today that the Salvadoran Army has suspended conscription to allow young people to participate in the legislative and municipal elections that are to be held on 10 March.

The official did not say when the military provision began but said it would continue until 15 March, five days after the elections in which 84 deputies and 262 majors will be elected.

Last week, a number of parents demanded that the Army return their sons—most of them minors—to them. The Army had held a massive conscription campaign in the

outskirts of San Salvador and the young were sent to several military bases in San Salvador.

The Salvadoran Constitution establishes that young people who are over 18 years of age must perform obligatory military service and participate in the elections.

Nicaragua

Government Officials on Economic Measures

PA0603030991 Managua Domestic Service in Spanish 2353 GMT 3 Mar 91

[News conference by Economic Commission members Presidency Minister Antonio Lacayo, Central Bank President Raul Lacayo, Foreign Cooperation Minister Erwin Kruger, Economic Development Minister Silvio de Franco, and Finance Minister Emilio Pereira; Government Minister Carlos Hurtado; and Labor Minister Francisco Rosales with local and foreign reporters and an unidentified moderator at the Presidency's Information and Press Directorate in Managua—live]

[Excerpts] [Moderator] Please raise your hands and identify the media you represent. First we have Maria Alicia Altamira of BARRICADA.

[Altamira] Engineer Antonio Lacayo, first, I want to ask you for more details about the guarantees for the peasants' land ownership titles, as far as the Agrarian Reform is concerned. What will be the role of the Attorney General's Office? Second, how effective will the financial system be tomorrow? What currency will be used in the financial system?

[A. Lacayo] With pleasure, Maria Alicia. I will refer to the first part of the question to complement what I said this afternoon. People who feel that they were unfairly treated by the previous government may go, as Decree 11-90 says, to the Attorney General's Office and present their case. If the Attorney General's Office deems that the person's land was unfairly confiscated, it will issue a ruling stating that the person was subject to unfair confiscation.

The person will have to take that ruling to the government agency that has the confiscated land, provided that the land was turned over to a government agency. The agency could be CORNAP [National Corporation of the Public Sector], some ministry, the Army, or some other agency. If the land is no longer under the government's control—for example, if the land was turned over to a cooperative one or two years ago through the agrarian reform—then the person must obviously go to the INRA [National Institute for Agrarian Reform], which handles agrarian reform issues. The INRA or the appropiate agency must investigate the status of that land and see how feasible it is to return the land. If it is feasible—which is what happened with MINCA [expansion unknown], FOELCA [expansion unknown], and ACONIC [expansion unknown]—then the state agency will return the person's property, following an analysis of the debts that the person might have had with the government, banks, etc.

Sometimes the property cannot be returned. For example, it may have been turned into something quite different; what was seized may no longer exist; something else may exist instead; or, as the UNO [National Opposition Union] government platform says, the Sandinist Agrarian Reform may have given the land to a cooperative. The UNO's pledge and Mrs. Violeta Chamorro's pledge is that the peasants who received land cannot be touched by anyone; in fact, they will immediately be given land titles. The problem is that this is a slow and tedious process, and the government needs to rule the country. We could not concentrate on that given all the problems we have had early on in the administration.

Consequently, land titles must be issued. In that case, the agency—INRA for example—will say that the person's property cannot be physically returned; it will issue a document stating this so that the person may claim compensation. That is what the UNO government platform states and what the national concerted agreement states. Right? The platform states that the person will have the right to compensation and the national concerted agreement states the same. Once the person has the document stating that he has the right to compensation, he will go to the Finance Ministry for the necessary evaluation. Later the government will issue the necessary decrees to state what the person may do about these funds.

Referring to the second question, Raul, if you please.

[R. Lacayo] Yes. Effective tomorrow, the financial system's banks will operate normally. They already have the new currency available. The new cordoba can be changed for the old cordoba in the measure that the people want it and within the announced deadline of 30 April. The normalcy will continue this week and the next.

[Moderator] Adolfo Pastran.

[Pastran] Yes, I wanted to refer to the FNT [National Workers' Front] leaders' statements over the radio some minutes ago. They demanded that the government immediately make a 600-percent salary adjustment. What does the government say about this? This one is for Government Minister Carlos Hurtado: What will the Government Ministry do if the FNT opposes, like it stated, the government's economic measures? What if this results in street fights? Thank you.

[R. Lacayo] Referring to the first part of the question concerning the demand for a 600-percent salary adjustment, we understand the nervousness and anxiety that this measure may cause. A stabilization and adjustment plan always causes nervousness, but the brilliant explanation given a while ago by Eng. Lacayo, stating that the

prices will not be [words indistinct], somehow gives us the answer about the purchasing capability of the workers' salary.

The workers obviously have the right to make demands. That is normal, and we are not surprised by this type of demand; however, I would like to tell the workers, meaning the country's working class, that they have to give the measures some time to see what kind of effect they will have on the salary's purchasing capability. Then we will be able to say: This salary is insufficient; this salary does not cover as much of the basic basket as we thought it would. It would, however, be hasty to do that right now. The explanation we heard was quite clear. There can be no [words indistinct] product. We, as a government, intend to coordinate many prices, particularly with the private sector. We must also coordinate prices and establish new and acceptable prices through CORNAP. That is the reason for the explanation. The Economy Ministry will try to control, stabilize, and balance these prices. [passage omitted]

[Moderator] Abel Calero of Radio Ya.

[Salero] I have a question of interest to the working class. The FNT a few minutes ago released through Radio Ya a statement flatly rejecting the economic stabilization plan presented by the government and demanding a 600-percent salary raise for the workers. We wish to hear an in-depth explanation by any one of the ministers present here on both the FNT's rejection and the true objective of the government's plan. Also, how will the government control the informal market considering that it is the informal sector which sets the prices in the grocery stores where workers and housewives shop? As a journalist, I am also concerned about recession in the enterprises, some of which will go bankrupt. Others will cut their publicity budgets before anything else. This will affect the media because radio station directors will surely lower the salaries of journalists, announcers, and other workers. What will be the salary policy for the media, particularly the state-owned stations?

[R. Lacayo] As for the state-owned stations, the government policy is clear. The current salaries are to be multiplied by three, except in the health and education ministries, where the workers have benefited the most. The salaries of the rest of the workers is to be adjusted. In general, this is the policy established for them. In the private sector, everyone is free to negotiate his salary. Much responsibility and seriousness is required in this sector. I will answer the question about the FNT. The minister of economy will discuss the price control in the informal market. I think that Deputy Labor Minister Rosales' reply was clear. Some people today are afraid of and suspect these measures. Let us keep in mind, however, that one year ago many people said there would be no such thing as a transfer of power in Nicaragua and that the national computation center would be set on fire so that the results of the elections could not be disclosed. There were all kinds of gloomy predictions.

Lots of people did not believe the contras would demobilize. We often discussed the communiques released by the Nicaraguan Resistance, and we said they would not demobilize, remember? Let all those who do not remember raise their hands. All do remember, right? There were also a large number of unbelievers when 5,000 EPS [Sandinist People's Army] officers were removed. There were people who said it was a lie, that they had not seen the officers, and that the officers were taken in through one door and out the other. Does anyone still have doubts that the 5,000 officers left and that they are now trying to earn their daily bread with the sweat of their brows just like any other Nicaraguan?

The economic measures have also generated doubt, fear, suspicion, leg-trembling, and hand-sweating. This is the reaction we have seen today. Perhaps the FNT had the same doubts half an hour after it heard the economic team's conference.

We believe it is important for all of us to become aware that these measures offer the country an opportunity and we have to take advantage of it. We have to take advantage of it so that, once and for all, we can do away with the worse tax that has ever been levied on the working class: inflation. The people who will win more with these measures, the ones who will benefit the most, will be those who have been hit the hardest up to now. Inflation, hyperinflation, is what we have experienced in the past three years. During this period, hyperinflation has caused the workers, the wage-earners, and the poor people to get increasingly poorer. It is said that these people become poorer now that we are going to change the situation. How can this be? Will Radio Ya's or Radio Corporacion's predictions turn out to be correct? Inflation caused people to become poorer. The poor people became poorer. Now we are going to attack inflation and it is said that this action will also cause the poor people to become poorer. If people get poorer because we attack inflation then the poor people were getting rich when inflation was present. I do not believe this. The poor people were not getting rich. The poor people were getting poorer because they could not protect themselves and their wages were going up in smoke. We are going to change this now. We are going to eliminate this sickness called inflation. Now the poor people will not slide further into poverty and, perhaps [words indistinct] a bit more.

Minister, you have the floor in reference to prices.

[Unidentified minister] Concerning prices, you have to have some understanding of the mechanism of pricing in this country. In the first place, there is a great deal of speculation mainly because of product scarcity, a few other [words indistinct], and especially because people have used it to defend themselves from devaluation. We are, however, taking measures so that we do not have any further devaluation. People who believe there will be another devluation are in for a big surprise. There will be

no further devaluation. The speculative and protective factors will cease to exist as there will be no further devaluation.

At first, some people will try to continue speculating as is their custom. We will take four actions to counter speculation, however. The Economy and Development Ministry has been implementing these actions for some time.

The first action has to do with supply. We are willing to completely flood the market with rice, beans, corn, and [words indistinct] basic products that are offered by ENABAS [Nicaraguan Enterprise for Staple Foods]. ENABAS' deposits are totally full and, not only this, but we also have a number of shipments arriving and will receive a great amount of imports to confront this problem. Anybody who tries to be too clever and starts to accumulate beans or rice to sell them at a higher price will get the surprise of his life. We are going to swim in rice and beans at the prices established by ENABAS.

Second, we have reached agreements on prices with producers who have cooperated and are willing to follow the guidelines given to them by ENABAS and the Economy Ministry. We have reached agreements on the prices of, for example, rice, soap, and flour. The agreements will [words indistinct] speculation definitely.

Third, we are proceeding to take over the direct control of a few state organizations. On 4 March, the Economy and Development Ministry will publish a ministerial agreement that establishes that the government's channels of distribution—supermarkets, distributing enterprises, companies that sell basic products and the like—will be intervened and the prices for consumers will be established and controlled. Fourth, and I believe the most important factor in avoiding speculation is persuasion. Speculation will start to diminish once people here see that there are no further devaluations, that ENABAS really maintains the prices set, and that producers really maintain the prices agreed upon. Also, speculators will crash against the reality of the quantities available in the market. Second [as heard], and I know this factor will be the most important, the Nicaraguan people will not allow people to embezzle them. The people who speculate with prices from now on are stealing from the people who have less money. We must be clear about this. The best way to defend ourselves against speculation is for the people themselves to take action against this practice. The people must boycott and denounce the speculators.

ENABAS will no longer sell to anyone caught speculating with prices beyond the normal limits of distribution. We are going to get together with the private producers so that this will work the same with them. I think that the most important thing now is for the people to have confidence in the measures and know that there is no [word indistinct] at all, that we must all return to using the cordobas, that we must forget the curse of having to protect ourselves from devaluations and hyperinflation, and that we can begin operating in a normal fashion.

[Moderator] Lourdes (Fanet).

[(Fanet)] Judging from what has been said so far on the radio, it seems as if the workers are preparing to protest against this program tomorrow. You, however, seem to be very confident that this situation will be surpassed. I would like for you to comment on this.

On the other hand, when I heard Minister Lacayo speaking today, he did not refer to the housing problem that is related to the problem of stability in the country. For example, Decree Number 85 benefits people with very low incomes who apparently are receiving from city Mayor Aleman certain agreements that allow them to pay from $500 to $1,000 for the houses they are living in. I have not been able to confirm that report, but I would like to know what is going to happen with that Decree Number 85 and the people who received those benefits?

[A. Lacayo] I do not believe that the FNT is going to attack that plan. Following precise instructions from President Chamorro, along with other ministers, I personally met with FNT leaders on 27 February from 1700 through 0100 on the third floor of the [words indistinct] building. We spoke with them in great detail and explained to them the plan that some were able to view yesterday on television and that the media saw on 1 March when we met with the directors and owners of radio and newspapers.

At that time, the FNT leaders did not say that the plan was not going to work out or that they were going to attack it. Furthermore, in a certain way this plan is very similar to what the Sandinist government did on three occasions: February 1988, June or July 1988, and June 1989. These were the three maxi-devaluations of the Sandinist government. The FNT did not reject the plan on any of these three occasions, however.

On this occasion, this is not only a new attempt, but this time it is going to be successful because the country is no longer at war. Since we are no longer at war, defense is no longer an issue. The issue now is stabilization. That is our priority now. There is no war at this time. In February 1988, there was a war going on, in June 1988 there was a war, and in July 1989 there was war. Now we are not at war. Also, we now have foreign resources. In the past, we did not have foreign resources, and the FNT can very well discuss this with the ministers who worked at that time with the government or with former President Ortega himself. Those resources were not available. Now, they are available.

They did not reject these plans on previous occasions, when it was very difficult that these plans could be successful because there was a horrible war going on. Therefore, I am absolutely certain that this time they will not reject it. If they did not reject it in the past, they will

not reject the plan now when these resources are available and we are at peace. We must take advantage of this peace. [passage omitted]

As for Decree 85, I feel we must make some comments on this. It has two aspects, like a coin has two sides. Those who accepted the benefits of that decree were required to have three conditions: The house they were living in belonged to the state, they were living in it on elections election, and they had no other houses. These people received the benefits of Decree 85. That law continues in effect, because it has not been abolished. The National Assembly has not abolished it. Do any of you think it has been abolished? It has not been abolished.

Those who legitimately received the benefits of Law 85, with all the requirements of the law, have nothing to fear; they have no problems. There is a large group of people—and you know perfectly well who they are—who quickly looked for a house around March or April and grabbed it. That will not work. That is not legal. The law specifies that the person must have been previously living in that house. Others just grabbed a house that did not really belong to the government and that the Interior Ministry just had without there being any legal confiscation. Such a house did not belong to the government.

The first thing I mentioned earlier concerns the people who were living there. Following the elections, however, some people sold their houses, but unfortunately this is public knowledge. Everyone knows about this. Some public officials quickly sold their houses in dollars, then grabbed another one around March or April and claimed the house. That is not right. They might as well leave now, on their own, before the newspapers publish their names and embarrass them. Those who were living in houses legally owned by the government and have no other houses in their names receive the benefits of the law. This is the case with the vast majority of the people. These people must obtain the resolutions issued by the Office of the Attorney General and take them to the Housing Section of the Ministry of Construction and Transportation so that they will be given a document that specifies that their house cannot be returned, and they have a right to compensation. Is that clear now?

[Moderator] Luis Felipe.

[Luis Felipe] Engineer: The other day you said that $64 million are circulating. Because of this devaluation, which set the exchange rate at five to one, $12 million plus would now be circulating. I would like to know whether this money supply will stand or will you release more gold cordobas into the market.

Bringing up the issue of the FNT again, you said that popular support is indispensable for the success of this program and that the other two elements, that is, peace and resources, already exist. Could this program be jeopardized by a nervous reaction, as you termed it? Could it be jeopardized by a reaction that could trigger a more generalized turmoil?

[A. Lacayo] That is true. There were $64 million in circulation, and now there is $12 million. What is going on, you might ask? The bills that were circulating—half, a third, or a great majority of them—were false bills. Do you remember the.... [changes thought] they were dirty money.

What did this government do? It ran all those bills through a purifying plant. To put it simply, 64 million dirty bills became 12 million clean bills. People today are carrying clean bills. This government will not commit the irresponsibility, the crime—pay close attention to what I am saying here—the atrocity and the barbarism of recirculating dirty bills. This government would not do so because it would be committing a crime.

The money supply will obviously increase. It will begin to increase, for example, at the latest on 7 March when the finance minister meets the payroll. Why? Because the money that will be used to meet the payroll, as we noted on a previous occasion, will come from clean sources and from foreign resources.

Therefore, on 7 March all public employees may choose to go to the Central Bank to get a dollar rather than eat beans or have a drink. They may go to the bank, because they will find dollars there. They will, however, have to pay a fee to buy dollars. Later, if they wish to buy back cordobas, they will have to pay another fee. Those who wish to play the game of exchanging back and forth will have to pay a fee.

The money supply will increase. INSE [not further identified] works are already under way. Each time its payroll is met, $300,000 are disbursed. The Central Bank will now give INSE 1.5 million cordobas in exchange for those $300,000, but these cordobas are clean because they are backed by dollars.

Therefore, the money supply will gradually increase, but all of it will consist of clean money. That is what our government wants to achieve; this is what we want. Everyone realizes that this is most advisable thing to do. This is even advisable for the FNT. Are they not workers and laborers? Has inflation benefited the FNT? Has hyperinflation benefited the FNT? I do not think so, I do not think so. Quite the contrary, they punished the FNT. Now that we are turning the situation around, the workers should feel somewhat alleviated. As I said earlier, this is not the time for improvements, but had we not done this, we would have gone downhill altogether. We avoided this, however. Improvement will be on the way a little later.

This is why popular support is important. What is the FNT doing now? It is obviously doing what it is doing unwittingly. The FNT does not really want this; it does not really want this. What is the FNT doing, for example, when it announces that it opposes our plan? Let us analyze this. What is the FNT doing when it demands a 600 percent wage increase?

Some at the grocery stores will say that this will not work. Tomorrow they will try to multiply their prices by five instead of heeding the government's instructions to everyone to not increase prices three-fold or little more than three times. Other things should increase by less, such as telephones, and others should increase by more than that. They should not be increased five-fold, however.

If they heed the instructions of those who put this plan together—the government's economic team who have put this together after months of work—prices will increase by as much as these ministers have said: three, two plus, three plus, and some by four times. Perhaps they will increase by less because those buffer pockets [colchon de aire], which we talked about, will disappear from the grocery stores.

Why is this? Because as our friend said, the money supply has been reduced to one-fifth.... [Words indistinct] what is left is clean bills that will not be devalued again in a long time to come. People have no reason to be afraid and get rid of them tomorrow. Some coyotes [black market foreign exchange dealers] are already asking.... [changes thought] how much are they asking for one dollar?

[Unidentified speaker] Thirty million [currency not specified].

[Lacayo] They are asking 30 million [currency not specified] for one dollar. Who is going to pay that? Here, nobody is going to pay that. If the coyote wants to become rich, let him do that. You will later see that same person buying gold cordobas to purchase rice and beans. Then the FNT is indirectly telling some people that this is not going to work, thereby adversely affecting workers who come to make purchases at a store. Therefore, it is important to get the support of the people. This way, they will believe in the plan and the prices will not be increased. The prices of gasoline, beans, rice, [words indistinct], cigarettes, and beer will not go up. The price of the airfare to Miami will go up. This will only affect the rich people who want to go there. Everything else will go up by very small amounts.

I wanted to tell some journalists who have raised their hands that we will take them into account. We will give you all a chance to ask questions. Mr. Segio Ferrari.

[Ferrari] Engineer Lacayo, the position adopted by the FNT can be seen as a demand by a social sector of the Nicaraguan life to participate in the discussion of a plan that seemingly originated from top to bottom. The question is, to what degree was this plan prescribed or totally imposed on Nicaragua, and to what degree will the government have some flexibility to discuss some conflicting aspects of the plan?

Secondly, to what degree has it been considered that this plan be approved by different political sectors, such as the National Assembly, as was the case with the documents of the concerted agreement, to seek greater legality and social consensus? Thank you.

[A. Lacayo] The FNT—here we go again with the boys—is a labor union that supports the Sandinist National Liberation Front [FSLN]. The FSLN said, in a very correct manner, that the government should endorse a dialogue with the parties that signed the national concerted agreement to guarantee strict compliance with it. The government has already met with the FNT for seven hours, which were very nice by the way. It has also met with CPT [Permanent Workers' Congress] for five hours; with UNAG [National Union of Farmers and Cattlemen] for six hours; and with COSEP [Higher Council of Private Enterprise] for five hours. We explained the plan to all these groups, including COSEP, which did not sign the agreements.

Despite this, we invited COSEP because we do not seek revenge. We explained the plan to all these groups and listened to their concerns. For example, what were the concerns of the FNT once we explained the plan to the them? I can tell you what their concerns were. First, they were concerned about the firings in some ministries. This was already explained to them as I said in the news conference two hours ago. He who fires somebody who violates the labor code without justification in the government will himself be fired. So, let them bring me tomorrow the name of the minister they want out. If they say, listen engineer, today in the morning this secretary was fired from the Central Bank, then the Central Bank minister will go. Is this clear?

If the FNT tells me that [words indistinct] was fired from the Foreign Cooperation Ministry, the foreign cooperation minister will go. Is this clear? Okay. [passage omitted]

[Moderator] Marcio Vargas, director of SEMANARIO.

[Vargas] I will ask questions that I have asked twice before off the record. Now I will ask them on the record. What are the possibilities that this economic plan will fail, and what will happen in the country if the plan fails? What are the possibilities of it failing?

[A. Lacayo] With this government, the plan will not fail. In other words, if the plan fails, the government will go. [applause] [passage omitted]

[Moderator] Luis Hernandez Bustamante.

[Bustamante] I have a question for Mr. Raul Lacayo, of the Central Bank: Will there be a free foreign exchange market? If so, what will happen to the coyotes? I also have a brief question for Eng. Lacayo, as he has been working very hard; however, this is very important. What support has the FSLN given to this plan? Does the government have the support of the UNO sector that has not always agreed with the government, or will you have to convince them?

[R. Lacayo] Regarding the availability of foreign exchange, we foresee that there will be enough foreign exchange to travel abroad, make purchases, and import goods and services. We believe that the coyotes will disappear as a result of this policy and plan. They can continue acting freely, but we believe their activities will diminish.

[A. Lacayo] Regarding your second question, the FSLN communique says in point five: economic adjustments are necessary. On these matters, the interests of the great majorities must be taken into account. That is what the FSLN has said. Changes are necessary, but the interests of workers, laborers, peasants, employees, the poorest sectors, and all the great majorities in our country must be taken into consideration. That is what we are doing.

That was how IDB [Inter-American Development Bank] President Enrique Iglesias, who was here only 48 hours ago, responded to reporters when he was asked how this would affect the country. Iglesias is a prestigious and renowned economist. The president of the IDB, the bank that will give us the most money in the coming months, was asked what would be the social effect on the workers who have always borne the largest responsibility in pushing forward the economies of the respective countries. How will the stabilization affect the workers? Don Enrique Iglesias responded at the presidential house on Friday evening in this manner: I can only tell you that the worst tax that a worker can have is hyperinflation. I did not say so. Enrique Iglesias, one of the most authorized persons in this respect, said so. The worst plight that affects society is hyperinflation. Thus, does it not help the workers and the poor to take away the worst tax, the worst plight? Well, that is what we are doing. We are not doing so irresponsibly. Why? Because we have the necessary resources. That is what I was saying.

You were asking me about the Sandinist Front. That is what President Ortega said when he returned to the country three days ago. Somebody asked him about the internal situation. What did former President Ortega say? On page 12 in Friday's edition of BARRICADA, he said that a policy of economic adjustments in Nicaragua, without the rationalization of resources to benefit everyone—not just the wealthy—or without consistent external funds to promote it—which is not the case either, because we have such funds—would simply become a factor of stabilization. I completely agree with Daniel. If the previous situation were the case, then it would be a factor of stabilization. If the two conditions he mentions here—that is if the external resources are available and if they are rationalized to benefit everyone, specifically the neediest sectors—are met, then there would not be any destabilization factor. I believe we are doing the right thing. Everbody wants it. As for the UNO, it was informed of this, just as the FSLN as a political party was informed of this. The 14 presidents of the 14 parties of the UNO were invited. We met on Tuesday afternoon from 1700 until about 2200. The impression I got, although I have not learned of any communique released by them, was favorable. They understand that this is good for the country and, furthermore, that it is a commitment that they signed. Here are the signatures of the 14 parties of the UNO. They know that these things must be done.

The other thing is that even Dr. Godoy was duly informed of all this. Dona Violeta issued instructions so that Dr. Haroldo Montealegre, who is her adviser on economic aspects, would brief him in full on the plan, explaining everything to him so that he would be fully informed. Dr. Godoy said he knew of that and understood that it was necessary, according to what Dr. Montealegre told Dona Violeta. Therefore, I hope that all the political forces—the UNO which drafted the plan, and the FSLN, which realizes that the plan must be carried out, because it tried to carry it out three times and knows that it must be done—.... [changes thought] otherwise, we will die from this hyperinflation. If we have the resources, we must carry out this plan. Therefore, I think that all the political forces of the country are going to go along with this plan, which is not for the government. This plan is for Nicaragua. It is for everyone because it is going to benefit everyone. [applause]

[Moderator] Luis Hernandez Bustamante.

[Hernandez] First of all, I would like to ask you to be more explicit about the degree of acceptance displayed by the FSLN, UNO, and other sectors of the population that apparently were consulted about the plan. My main question is: If there has been concensus concerning the plan, why does it appear as if government employees are slightly confused about the salary conversion? Some of them have asked me to ask you how the salary issue will be handled for state employees, and how it will be handled for private sector employees. To conclude, the man on the street is concerned about how long the Nicaraguan people will have to put up with this anguish and when they will see the plan's results and improvements—as you have decribed them—materialize in the country.

[A. Lacayo] Regarding the first part of your question, I can tell you that we spoke with all of the sectors. All of them clearly understood the issues, and all of them agreed that the measures cannot be delayed and must be implemented. They are very clear on this, however. I cannot speak for them. I believe that it would be a good thing for you all to consult and talk with the sectors that we met with last week. I can, however, tell you a little about our evaluation of meetings with them. Our evaluation is positive.

Regarding the workers of the public sector included in the budget, the CORNAP, and the autonomous entities, the salary policy is as follows:

In the specific cases of the Health Ministry—Minsa—and the Education Ministry, approximately 35 percent of the current working masses will be used to reorganize offices within the payrolls of the aforementioned ministries. The reason for this reorganization is

well justified. There has been great anarchy regarding salaries in these ministries and within the government in general. This reorganization will allow us to establish the offices within the complex groups in which they must be, or as some technicians call them, [words indistinct].

Once this reorganization is done, a 170-percent increase will be applied to the Minsa and Education Ministry. This means that, for the Minsa and Education Ministry, the factor may be 3.51 for a particular person and in the rest of the government the increase would be 160 percent, the factor being 2.70. The objective here is to comply with the agreements made in the concerted agreement, in which we agreed on the need to give priority to education and health. On this point, we are keeping our promise.

On the other hand, in agreements reached earlier between the government and some unions, we had already established the need to reclassify offices and salaries. When the salaries are reclasified in the Minsa and the Education Ministry, we are covering 32,000 employees from the health sector and 24,000 from the education sector. We are talking about 56,000 employees out of 74,000.... [corrects himself] 70,000 employees in that sector. There were 69,000 employees when we came to power and there was a slight increase. Now, without counting the EPS and the Government Ministry, there are 70,000 employees in the public sector. The total is 1,010,000 employees. Therefore, we are including a large part of the working masses included in the budget without counting the EPS and the Government Ministry.

In addition to this, we will add that CORNAP and the autonomous entities will be subject to this same salary policy.

Regarding the private sector, since we took office on 25 April, we have had as a policy the freedom to negotiate salaries. We have done this in order to comply with the provisions of the Labor Code and the international agreements regarding the freedom of collective negotiations and individual contracts.

I hope that with this explanation in mind and after presenting all the facts, the workers who [words indistinct] have taken note and will be able to draw conclusions in order to wait for this plan to settle. This will allow them to see in practice the real purchasing power of this new salary. [passage omitted]

[Reporter Alberto Ramos of Mexico's Radio Red Nacional] In yesterday's television newscast, Engineer Lacayo, you said that workers would lose one third of their salaries' purchasing power. There was a deficit this year in the Legislative Assembly budget. The question is, if you had enough resources why could you not maintain the level of the salaries under this plan? Also, if there were savings, where did they go?

[A. Lacayo] The purchasing salary of workers can go up and down depending on where one is located. If one is thinking in cordobas and is Nicaraguan, like all of those here at this table, everything is going to go up. If one is thinking in dollars, like Nicaraguans were thinking due to indexation and inflation of the economy, prices are going to go down. Salaries will go down; gasoline prices will go down; rice prices will go down; and bean prices will go down. Therefore, it depends on where one is located.

In terms of cordobas, everything is going to go up. Salaries are going to go up as well. The calculations made by the government indicate that the real purchasing power of basic products by workers will not be reduced and perhaps will not be augmented. As I said before, this is no time to improve; it is a time not to get worse.

Consequently, there will not be a drop in the workers' true salaries. Such a thing happens in countries where the inflation rate is small. Our situation is not like that. Our inflation is huge. Prices in dollars will drop here for two reasons, because the inflation has been removed from prices and because of the devaluation itself. We think prices will go up or down either in dollars or cordobas for these two reasons but a certain parity will remain for workers with the added advantage that we will eliminate inflation. The assembly budget had not been computed in dollars. The deputies and President Chamorro would not sign a law in dollars because this would represent a total loss of sovereignty and the summit of treachery or whatever. The National Assembly authorized a budget in gold cordobas. In accordance with the budget law parameters, the finance minister will now adjust this budget applying the law to the letter. The law was not in dollars. I did not get the gist of the particular question. The budget law is expressed in gold cordobas. This is the currency in which the budget will be increased to meet the workers' salaries, which will be raised in gold cordobas. This is also the currency in which the prices of gasoline and everything else, including the state revenue, will be raised because producers' income taxes will be greater. Everything will go up. The Finance Ministry must enforce the budget law to the letter.

[Moderator] There is time for only three more questions. U.S. journalists Luz Monterrey and William Roy. We want to report that a minister of each of the state's various portfolios will be here at 1000 every morning. We are inviting the radio stations to bring your mobile transmitters and talk to the ministers. The ministers of labor, finance, economy, and education, as well as [words indistinct] and Dr. Raul Lacayo, will answer questions. Upon the instructions of President Chamorro, this auditorium belongs to you at 1000 every day starting tomorrow. The telephones are at your disposal. We will install a telephone here. We hope Telcor [Nicaraguan Telecommunications and Postal Services] will have installed it by tomorrow so that you can transmit from here.

[Unidentified reporter] Excuse me, engineer. I am an English reporter from London's newspaper THE INDEPENDENT. Minister Lacayo, you said on several occasions in the past few days that the government has all the

required foreign resources. We have seen the list you presented on Friday dealing with the $840 million due to come from out of the country. I would like to know how firm these resources are and what relationship exists between the stopgap operations and the other foreign resources. Also, would the economic plan fall through if the government fails to get those foreign resources?

[A. Lacayo] The information you have received is inaccurate. The $840 million are resources that this government can hope to have every year perhaps starting in 1992 if we restore order in our country, eliminate inflation, and adjust and stabilize our economy.

We can obtain credits from the IDB, the World Bank, the U.S. Congress, Japan, and Germany. All those institutions, however, as well as the Nordic countries, want to see that aid put into good use and not, as we say in Spanish, fall into a torn bag. The problem is that until recently our bag was torn. The aid that came from abroad was wasted. The dirty water we threw into the tank spoiled everything.

Therefore, the resources you mention would be like a prize that this country could have, even in the near future, perhaps in 10 months—we would be in 1992 alreadly—if we actually manage to improve the economy this year.

The funds I referred to for the economic plan at this time are other funds. Those are approximately 280 or 290 million [currency not specified], which are fully secured and which are the minimum amount necessary for this plan to work without throwing more dirty water into the tank. In other words, those are clean funds. They basically come from the U.S. Congress, a remnant from 1990 and the funds assigned for 1991. They also include a loan from Taiwan and the AID food program. We also have several foreign cooperation programs we can use from various European countries. We also have aid from Venezuela through discounts in our oil bills. We also have several other sources of aid in food, and so forth, and when sold this earns money to pay for this plan. The loans that are already committed to Nicaragua—in some cases these loans are already in the country—have a value of approximately 280 million to 290 million. The 840 million is for the future, provided we do things properly.

[Moderator] Mrs. Luz.

[Luz] Engineer Antonio Lacayo, first I want to congratulate you for not being in agony. This is not a personal question; rather it is a reflection of what the majority of people ask: Why has the government kept its people in total agony for four days? Why has the government indirectly encouraged price speculation, which practically paralyzed the country's economy? I can give you concrete evidence that during these four days we have had more speculation than during the rest of the year. For example, at 0900 yesterday, at the Oriental Market, one carton of cigarettes cost 25 million [currency not specified]. At 1600 it cost 40 [million], and at 1800 it cost 60 million. The question all the people ask is why did the government take so long.... [changes thought] permit tensions to rise so much? When the FSLN changed the currency we received the news suddenly and never had time to react, except to stand in line to change the old cordobas [chancheros]. Engineer Lacayo, according to many analysts, the procedure the government has used has been a mistake, because it allowed so much time—four days—for people to speculate. Once prices have been set, it is very difficult to get them reduced. That question is for you.

My question for Comrade Rosales concerns wages. The people see the extreme contrast between the salaries of certain groups in the government and the salaries of most workers. For example, even if you say that the National Assembly is an organization that is independent from the executive branch and can set its own salaries, the people are able to watch on television a deputy who reads a newspaper or scribble on a piece of paper and who earns close to $2,000. The government spends money on 90 deputies at the National Assembly. In a crisis like this, the people see for example that the National Assembly received financing for nearly 90 vehicles—the cheapest cost $7,000, others as much as $15,000. The people also feel that this cabinet is not capable. We do not doubt the cabinet's scientific or economic capability, however, we do doubt most people's ability to understand this plan due to the facts. When you speak of executing this plan, it seems as if you are talking about a population like that of Brazil or Bolivia.

Nicaragua is the most emotionally stricken Latin American country. We had an eight-year war. Economists cannot consider Nicaragua the same as other countries. My third question is for the government minister. Does the government have any other means besides the Public Force to control a social upheaval if there is one? I am asking this because some people are asking, are the gentlemen who signed the concerted agreement true representatives of the workers? You can answer that because I do not know. Are they in a position to control a social upheaval because they signed the agreement? The only thing the country's masses have to lose is their lives.

[Hurtado] I believe that if the government had done this like it did the demonetization, which you apparently liked so much, what would people be complaining about now? They would be saying, the government did not agree to anything, it did not take anyone into account. The government did not meet with anyone. It acted behind the people's back. We are like the [word indistinct] [laughs]. What did the government do? The government consulted with all the sectors, I repeat, the UNAG, the FNT, the FSLN, and COSEP. We discussed the agreement and explained it to the UNO parties, to the companeros of the FSLN, and to their National Directorate. We also explained it to the media, which is very important. We explained this to them, not for them to record it, but to understand it and help us. We also

met with the companeros of the Government Ministry and with all the high-ranking officers of the EPS. The minister met with some industrialists and farmers and heard several very valuable comments. If we had not met with all these sectors, we would not have incorported these suggestions into the plan. Those comments by the FNT, the UNAG, the Attorney General's Office; the COSEP comments on credits and debts; and comments by the political parties are incorporated into this plan.

After three years of living with hyperinflation, we are not going to stop for four days to explain this to the people who are the owners of this program, and to find out the opinion of the representative sectors of the people. We will incorporate those opinions into the program.

I prefer this path. This is how this government is run. That is the way President Chamorro has wanted to rule the country. There are many ways to rule, and each president can choose the way he wants. She has chosen this one, and we, as ministers, must follow suit and consult with the people. I think it would be worthwhile to conduct this program with consultations, discussions, and comments. Dr. Salver (not further identified), will you comment on the salary aspect?

[Salver] This government's characteristic and essence is democracy. We are headed toward democracy and the leitmotif of democracy is consultation. That is the great difference between us and the previous regime, between dialogue and imposition. We are democratic. Regarding the salary problem, the reply also falls within that democracy.

According to our constitution, there are four branches. One of them is the legislative branch, which dictates the law. If the legislative branch officials voted to increase their salaries, as you say, obviously the people will have to get even with them, when it is time to vote. We, who belong to the executive branch, could not interfere in the legislative branch's activity. I could hardly say anything in that regard. In the executive branch, we have done everything possible, especially in the education and health sectors. For example, in the health sector, when an executive offical was employed, the minister would decide on his salary. Until three months ago, Minister Salmeron sent the Health Ministry's payroll to the finance minister. That is how we have found great irregularities, which led us to grant priority status to the health sector. There were people earning 50 gold cordobas. Some were listed in the eighth, ninth, tenth, and even in the sixteenth level. There were graduate doctors earning 50 gold cordobas. There were irregularities. Sometimes they had to hire a specialist, and they had to include him on that list. Now people ask, how were they paid? There was a social expense fund, and the minister decided how to spend it. Confusion, as far as salaries were concerned, was being felt throughout the country because of that social expense fund.

For example, out of 109 job slots for drivers, there were 109 employees. For 492 secretary job slots there were 336 employees. I do not believe there are 336 secretaries working. Modern experts in this field, like DeFallo and Taylor, use what the Frenchmen call "la fourchette" or the fork once in a while, but 336 salaries, this is ridiculous. In the Education Ministry, we have been trying to eliminate those irregularities. If we get the money and manage to succeed in this program, any salary policy will seek to reorganize the system of posts and salaries. I hope this answers your question.

Regarding the last part of your question, the government can resort to persuasion and dialogue, which are very valuable instruments that have been used by this government during its 10 months in office. Along those same lines, I would like to read paragraph two of the concerted agreements. It reads: We admit that it is indispensable to assure the legal state and social peace for the welfare and security of all Nicaraguans. By a legal state, we understand: a state that obeys the constitution and laws and a state in which the rulers and the people acknowledge the constitution's authority and the obligation to obey it.

Paragraph 4.1 of the concerted agreement reads: All sectors must guarantee a stability that allows us to enforce the present agreements, especially during the next few months. The signatory parties agree to solve conflicts through negotiations and dialogue to guarantee the uninterrupted operations of the service and productive activities. These agreements were signed by the government and the productive and labor sectors. The Government Ministry is part of the government. The ministry will use all the resources that the government allows it to use to implement these agsreements.

[Unidentified reporter] I have some doubts about the salary issue. You have given us so much information that sometimes we get confused. For example, let us take a worker who was earning 100 gold cordobas. If his salary is tripled, he would be earning 300 gold cordobas. If we divide that by five, it would come to only $60. He would be earning less than what he was earning before. This gives the impression that the worker would come out losing with a new salary raise, and when we speak of dollars it is because we are still thinking in terms of dollars. Three hundred divided by five is $60, and he was earning $100. There is another problem, however: If tommorrow the tripe vendor heeds the minister's advice, she will charge 30 million regular cordobas for her tripe soup. I ask, which laborer at the Oriental market, or any other worker, could afford to pay that much for a plate of tripe soup tomorrow.

Another question: It gives me pause to consider that nothing has been said about the privatization policy anywhere in this plan, Engineer. There is a lot of talk about how we are no longer at war, but in the countryside, there is a war going on. It is practically a cold war, but it goes beyond a cold war. There is no true social peace. A day ago, we saw in the press that a cooperative was attacked by 300 machete-wielding men.

I wonder whether, with all these economic measures, the government is not compounding a political error of continuing to return properties to their former Somozist owners and of withholding credit from small cooperatives. How can there be true social peace, and how can this plan be successful in agricultural production? Social stability in rural areas is very important. I see nothing in these measures that you have announced. Therefore, I believe that the situation in the countryside is worrisome. It is very violent, and I would like to know what specific measures the government is going to take to reduce social tension there and achieve true social peace in rural areas, allowing the people to work and produce in peace, so that we can have more basic grains and be able to increase our exports. Thank you very much, Engineer.

[A. Lacayo] Well, some of your calculations are legitimate and correct. The wages of the average Nicaraguan worker; the average government worker; the government basic workforce; 105,000 people in the areas of health, education, government, the Army; and other organizations, will increase threefold. If we say that the average government worker earns 100 cordobas well, he will earn 300. Some will earn more, particularly in health and education, and some will earn less. How much is it in dollars? Well, the people here live in Managua, Chontales, Matagalpa, Muy Muy, Chinandega, and on the coast. We do not live in Miami.

The rice and beans that we are going to eat are rice and beans from here, not Miami. The tripe that we are going to eat is from here, not Miami. Therefore, we have to see what prices will be like in cordobas and what salaries will be like in cordobas. We are going to see what the relationship between prices and wages is like. Thus, I am not concerned about.... [changes thought] I see that you are very concerned about the people in Miami. I, or rather, the government is more concerned about the people here. It is a matter of getting a thorough idea of how things are here, in order to express an opinion. In other words, there must be production and an increase in exports, so that, in increasing those products, the small, medium, and large farmers will provide more sources of jobs and we can fight the unemployment problem. We can do this by exporting more and by not continuing as we have been doing to date.

In my opinion, that is why we were in the position that we were in. What coca cola did the Nicaraguans usually drink in Managua? Nicaraguan Coca Cola or Honduran Coca Cola? Honduran Coca Cola. Thus, the Honduran workers, the Honduran capitalists, and the Honduran Treasury were the beneficiaries of that. Now, gentlemen, we will now drink Nicaraguan Coca Cola and forget about the Honduran Coca Cola. Anyone who wants to drink those Cokes will have to pay through the nose. Let them go buy the last remaining Honduran Cokes. Why? Because now the Nicaraguan coke will become cheaper and have a more favorable price. Who will benefit from this? Well, the Pepsi and Coca Cola Company workers and all the sectors who manufacture things for them, repair their trucks, and make their boxes. It will benefit all those who sell Coca Cola and Pepsi Cola throughout the country. It will also benefit the government, because there is tax on sodas. We use this tax to pay the salaries of government workers. Therefore, we can see how, if instead of buying Honduran sodas we buy Nicaraguan sodas, we are helping ourselves.

Well, then. What can we do to prevent Honduran sodas from coming here? The other day, I spoke with Commander Rene Vivas [National Chief of Police]. I asked him: What should we do? He said that not even if the entire Army were placed at my disposal could we keep them out. They come in from all points. Therefore, it would be necessary to again establish a larger Army and put a man on the border every 10 meters. No. Instead, we are going to put the dollar at its real value, because the dollar was very cheap here. This is what the farmers said: It is necessary to improve the exchange rate in order to reactivate exports. Therefore, we put the dollar at its true rate. What happened to the Honduran Cokes? Well, the last ones can be bought out. By a month or a month and a half from now, as Dr. Lacayo said, once this is actually in place, that coca cola will be available only on the border. This will greatly benefit Nicaraguans, the Coca Cola and Pepsi Company workers, and all the truck drivers who are involved in that line of work.

What really counts, however, is what happens to prices and salaries in Nicaragua, not Miami. I agree that small cooperatives should get loans. I will tell you what we are going to do. In your opinion and that of the Nicaraguan people, would you prefer that small cooperatives do not get loans, that there is a shortage of medicines in hospitals, that there are not enough busses, that this government is unable to build even a small bridge in a village for lack of money, that we are on the verge of losing the port of Corinto because we do not have money to build a sea wall, that poor neighborhoods do not have electric light, and that many Nicaraguans do not have access to a water faucet? Or would you rather also own the Montelimar Hotel, Aeronica, the Diez y Medio Motel, and Luria's so that the plastic children of the bourgeoisie, the children of the rich, and the sons of the rich commanders can entertain themselves and dance?

No, my friend. I will tell you what we are going to do. What I am going to mention is not part of this plan but will come later. We will privatize. We will auction off the Montelimar Hotel. We will take $15, $20, or $30 million to lend to cooperatives, as you would like. We will build the small bridge that the Malacawina people want so that the barrio whose residents must bring water on foot from 10 km away can have pipes installed the cost of which does not exceed 20,000 or 30,000 cordobas. We do not have this money now. Alas, we do have a hotel where young girls can show themselves off and the ministers can relax, as EL NUEVO DIARIO said. All of us in the government and all of the people, including myself, would rather have $25 million to lend to cooperatives and install a drinking water system and electricity in small villages than have a luxury hotel for the rich and

one plane or two so the rich can fly to Miami. Poor people do not fly Aeronica. They are familiar with planes only because they see them fly over. The poor have no water or electricity. Ah, but the government has planes. To hell with planes, hotels, and everything else. Onward we go. [applause]

This is why I explained that this plan benefits all. The idea is not for this plan to benefit the government. According to the Labor Code, everyone who works in the government is the government, but in the government there are employees and ministers who are responsible for the decisions. This plan will not make the rich richer or the poor poorer. This plan does not affect the ministers. It is being implemented because we are absolutely certain that all Nicaraguans agree on the need for it. This is what Cardinal Miguel Obando y Bravo thinks. I will read briefly what the Cardinal says. Mrs. Chamorro said this during her speech, but it is worth repeating. Cardinal Obando says: We are firmly convinced that our government will make careful decisions to check the growing inflation that is hurting the neediest, the dispossessed, and the poorest. Cardinal wants this. Mrs. Chamorro is the president. You have already heard her speech.

The bankers, such as IDB President Enrique Iglesias, who are going to lend us the money say hyperinflation is the worst tax the workers can have. He says that the worst scourge on society is hyperinflation. Iglesias wants us to wipe it out. I was able to read this week's EL SEMANARIO on my way here. I will tell you what it says on page 5: The disarming of the Nicaraguan Resistance, the reduction of the Army, and the democratic workings of institutions in accordance with the 1987 Constitution are : chievements that the government can show off on this anniversary to the national and international public. Avoiding a deepening of the economic crisis and social instability are the government's most urgent tasks. It is the government's duty; that it is why it was elected. Well gentlemen, that is what we are doing and we are not losing any time. This government was elected to resolve this—first the war and now the economic crisis. That is why EL SEMANARIO, on this first anniversary of the 1990 elections, tells us—although it may seem obvious—that time moves on and we cannot keep putting things off. Well gentlemen, we cannot put things off any longer. What does BARRICADA's editorial say today? That we must concern ourselves with those who need the most help. That is why we are going to protect the workers and the poor—those most affected by inflation.

I repeat, we have had three years of hyperinflation. The poor have not become richer; they have become poorer. Now this will be changed and they will feel some relief. It cannot be that the poor become poorer regardless of what we do. This could only be the case if this were a wicked country, which it is not. Right? What did the FSLN say in its communique? Exactly the same—that the economic and social situation has deteriorated and must be corrected and that economic adjustment is necesary, taking into a account the interests of the great majorities. These are the interests we are taking into account. Or do you think we are doing all this for three or four rich people? I am not doing it for myself. Do they not say that I am already rich and that all the government enterpises are mine? [words indistinct] These measures are not aimed at any single person. Nor are they aimed at the rich. The rich will also benefit. The rich are planing to go to the bank on Monday instead of going to work. They can go to the bank on whatever day they like because the money will be worth the same on Monday, Tuesday, and Thursday. Basically, these measures are for the workers, for those who are the most affected because they are the ones who are most hurt by the inflation. This is what the concerted agreement sought—to give currency its real value. This also encourages exports and a single currency eliminates inflation—all this is part of the concerted agreements. This is the UNO mandate, and I believe this is what our constitution calls for.

We end by inviting you to look back and recall the conferences we had here when this government was freshly installed and the great challenge was disarmament. Remember this? Be sincere. It was not easy and this is not easy either. This is going to require—and has already required—the full time of several people in the government exclusively dedicated to making this work.

This will require that people take care of problems. If someone did not get their token, they should be given their token. If the AFA [Rice, Beans, and Sugar package] is not working, it should be corrected. If people are being dismissed in such and such a ministry, the minister should go there and see what is going on. That has been made clear. As for the Attorney General's Office, we are clear that it may be reformed and regulated as I clearly explained before. The only duty of the government at this time is to guarantee the success of this plan and solve problems because it is like giving birth. It is just like giving birth. You know that when a woman has been pregnant for nine months and is griping about her belly and on top of that she gets the hives, and on top of that she gets a boil, and on top of that she catches a cold, well, those other problems—which are problems everyone has now and then as a result of a nine-month pregnancy—become intolerable. That is what I have heard women say. It becomes intolerable because the main problem—her pregnancy, especially if it is past nine months—doubles and triples these other problems. It makes the hives feel three or four times worse, it makes headaches feel four or five times stronger, and it makes the boil feel three or four times more intense. What can we do? All ministers should swiftly take care of the boil and the hives so that they do not become a problem and so that the childbirth is easier.

What is the birth? The economic solution. We have to work on it. Now that the war is over, we have to achieve an economic solution. This is a job for all, not just for the government, because we all want an economic solution. Therefore, this birth is going to take place.

Later, the other problems, once the great tension that comes from hyperinflation has been eased.... [changes

thought] Hyperinflation is the main problem, the scourge of us all. The concern that prices will rise over the weekend, the concern that our currency will have no value, and the concern that the government will decree a big devaluation on Sunday is over. The information is now available to everyone. Let us grit our teeth for the next three, four, or five days, so that in the next few days and months, there will be no new devaluation. Thus, that worry is over. Later we will turn to the problem of land and the other problems that will crop up, because problems crop up in all societies. That is what the government is for, to help solve problems, not create new problems. It is there to help solve problems, primarily the problems of those who voted for it.

This government was definitely not elected by the rich because the rich are a minority in this country. It was the workers, the laborers, the peasants, the government workers, the guys in the Army, the policemen, and also a few wealthy people. Eight hundred thousand Nicaraguans voted for President Violeta. I do not believe there are 800,000 rich people here. They were laborers, radio station workers, peasants, and poor people. President Violeta is completely indebted to them. She feels a commitment to them more than to anyone else, and they are the ones for whom we are working. Good night.

[Moderator] Thank you very much.

Labor, Business Reaction

PA0603042091

[Editorial Report] The following is a compilation of selected reports on the recent government economic measures carried by the Managua media on 4-5 March.

The pro-Sandinist Managua Radio Sandino in Spanish at 1200 GMT on 5 March carries a three-minute report on statements by Dr. Miriam Arguello, former National Assembly president, on the recently announced government economic measures. Dr. Arguello neither endorses nor criticizes the measures and simply states: "To the extent that the plan is implemented, we will be able to state whether it is being properly executed or not." The former National Assembly president further states: "We support the government inasmuch as the measures are necessary, but we will not endorse the measures until we see how they are being implemented and if they are really being carried out in a fair, just, and honest manner."

Dr. Arguello notes that "the administration has not complied with the government program," and concludes that "if, from now on, the measures conform to the government's program, we will support them."

At 1200 GMT on 5 March, the same station carries a one-minute report on the Revolutionary Workers Party (PRT) demands of the Chamorro government. It states that the PRT is backing the demands by the National Workers' Front (FNT) of the government to obtain a 600-percent wage increase. This, the report continues, will permit workers "to offset the economic measures that went into effect on 3 March." Later, the report cites a PRT communique as bluntly rejecting the government economic measures and urging government workers to oppose them. The report concludes by quoting the workers as saying that "the measures will entail the bankruptcy and closing of many enterprises and businesses, which will in turn create more unemployment."

Managua Domestic Service in Spanish at 1815 GMT on 4 March broadcasts a one-minute report on the congress held by the Nicaraguan Workers Federation (CTN) over the weekend. In a nine-point communique issued by the CTN, its members agreed to "support the plan of economic stabilization to put an end to the anxieties of the people," the report continues. The report quotes the CTN communique as saying that "the economic measures are intended to put an end to inflation and the frequent devaluations and to assign to the cordoba its real value." In the communique, the report concludes, CTN members urged the government "to refinance the debts of small producers" and "demand guarantees for hospital workers who continue to serve the people."

Managua EL NUEVO DIARIO in Spanish on 5 March publishes an unattributed 900-word report on the distrust apparent in leaders of the UNAG (National Union of Farmers and Cattlemen), the CPT (Permanent Workers' Congress), and the COSEP (Higher Council of Private Enterprise) with regard to the government economic plan. The report quotes CPT leader Jose Espinoza as saying that the government should guarantee the supply and prices of products, because "otherwise these measures would sacrifice workers at the expense of businessmen." According to the report, Espinoza termed the government measures "drastic" and said that the CPT is conducting a study to make a proposal to the government.

The report adds that UNAG President Daniel Nunez conditioned the support of his organization for the government to the adoption of coherent measures that will not adversely affect the interests of the agriculture sector. Nunez described the government measures as "crude and inconsistent to the reality that the people are experiencing" and said that they have been imposed by the IMF, the report continues. It adds that Nunez noted the "revengeful" stance adopted by some mayors and government delegates who have promoted the takeover of 100 cooperatives.

The 900-word report also cites COSEP President Gilberto Cuadra as stating that the plan conforms to the demands COSEP had presented to the government months ago. Cuadra noted, the report says, that inflation is fought with production, but "until today we have not seen the possibility of obtaining financing." The report concludes with Cuadra stating: "This is bitter, but necessary medicine."

Panama

Shortcomings in Justice System Frustrate Endara

PA0503163491 Panama City LA PRENSA in Spanish 1 Mar 91 p 1

[Text] President Guillermo Endara has stated he feels "very frustrated" over shortcomings in the implementation of justice in Panama and that the crisis in the Attorney General's Office is a result of this situation.

He said that Attorney General Rogelio Cruz is "working hard," but without achieving the results the people expect.

He also noted that Cruz has had to work in the framework of the special circumstances that resulted from 21 years of military dictatorship.

Meanwhile, Special Prosecutor Carlos Augusto Herrera said that if there is no criminal charge against Cruz and he does not resign, Cruz may remain in his post until his five-year period in office concludes.

Herrera recalled that prior to the Legislative Assembly's ratification of Cruz as attorney general, it demanded that he meet many requirements, which he did "without any problem," and for this reason the Assembly had to ratify him in his post.

He noted: This in itself is enough reason to respect the five-year constitutional period that Cruz should serve.

He added that there is a "group" dedicated to initiating campaigns focusing on the crisis in the Office of the Attorney General. He said that because of lack of information and confusion regarding the Office of the Attorney General, the people are misreading the situation as "lack of justice."

Herrera also expressed his disapproval over the "abrupt and improvised" way in which changes in the Office of the Attorney General are being planned, because it is the people who will suffer the consequences of these changes and it will also cause a "serious deterioration" of the institution.

He cautioned that the moment will come when no prosecutor will be willing to take any action out of fear of making enemies and losing his job.

Legislator Jose Antonio Sossa, chairman of the Government Commission of the Legislative Assembly, said that the Assembly has no legal power to dismiss Cruz.

Sossa, who has criticized Cruz from the moment Cruz took office as attorney general, said that the only way he can be removed is through a trial that would have to be called by the Supreme Court of Justice. He said that another alternative is for the attorney general to resign voluntarily.

According to Sossa, "the popular uproar" demanding Cruz' resignation grows every day, and Cruz, as a sensible person, must realize the damage he is doing to justice by clinging to his post.

Carlos Jones, president of the Front of Independent Attorneys, said that the Office of the Attorney General is a "political bounty" of the governing parties that exerted influence in the appointment of new prosecutors.

His statement introduces an element that makes the Attorney General's Office crisis more acute, a crisis that emerged when the status of former Attorney General Carlos Villalaz was changed from one of preventive arrest to house arrest.

Jones said: "We ask President Endara, the Legislative Assembly, and the Court not to make the error of turning the Office of the Attorney General and the judicial branch into a pie with which to please political appetites."

'Not Enough Time' To Prepare To Protect Canal

PA0503225591 Panama City LA PRENSA in Spanish 3 Mar 91 p 1A

[Article by Elkilia Santos]

[Text] National Police Director Ebrahim Asvat feels that the nine years Panama has left before assuming protection of the canal is not enough time for our country to prepare for this responsibility, which requires a specialized police force.

We would have to carry out an accelerated process over the nine years to take on this responsibility, therefore Panama must begin to prepare now, Asvat said, adding that otherwise it will not be prepared to protect the canal.

The police director made the statements when meeting with the Foreign Relations Commission of the Legislative Assembly to explain how the police should be prepared to assume protective authority over the canal.

He admitted that at present, the police are not prepared to protect the canal, and that the government should implement certain policies to determine what is required to take on this task.

Asvat pointed out that this calls for much planning, investment, and a specialized policy. He added that the Ministry of Government and Justice has taken several positive steps toward these ends, such as separating the Canal Area Police from the National Police.

He noted that funds have been allotted from the National Police budget so that the Canal Area Police will have readily available resources. He believes, however, that the 2.7 million balboas that are allocated in the budget are not enough for this police division to operate efficiently.

Meanwhile, Major Humberto Macea, chief of the Canal Area Police, said that although the Panama Canal Commission maintains that the police are responsible for security in the residential areas and other areas near the waterway, the Canal Area Police cannot fully carry out this mission due to limitations of equipment and personnel.

He added that even though the U.S. Government pays for these services, the Canal Area Police have not been provided sufficient equipment or personnel to perform this duty. He stated that Panama has lost 10 years preparing to assume management of the canal, inasmuch as on 20 December 1989 [date of the U.S. invasion of Panama], the police were set back to point zero, therefore it has to act quickly.

Argentina

Bank Reserves Increased To Stabilize Currency

PY0503230091 Buenos Aires LA PRENSA in Spanish 4 Mar 91 pp 1, 5

[Text] The Economy Ministry has decided to increase the reserves for time deposits, savings accounts, and Bonexes [dollar-denominated bonds] by 5 percentage points. The measure, which will allow for "the removal of 2 million australes," will be enforced "temporarily, during March."

This announcement was made by Economy Minister Domingo Cavallo during a press conference at the ministry last night. The minister explained that the objectives of the measure are "to avoid excessive liquidity" and "to stabilize the currency."

What Are the Best Investment Sectors?

During the conference, Cavallo and Central Bank chairman Roque Fernandez were asked about the most appropriate sectors for investment. The minister mentioned "savings accounts, time deposits, and dollar deposits."

He added: "There is no reason to modify the floating exchange rate band." Asked about inflation in February, he replied: "It will be lower than 30 percent."

A Matter To Reflect On

The minister began his long conference by reporting: "The considerable dollar purchases by a group of banks and major investors on 1 March made us reflect on our fiscal and monetary estimates and led us to the conclusion that we had to review our accounts.

"We, therefore, reviewed our fiscal accounts and concluded that if we did not take any measure in March, there would be an internal expansion of the monetary base of 2 billion australes."

As for the expansion of the monetary base, the minister said: "It will be much smaller than the expansion that occurred in February, when it reached 4 billion australes. The reduction will be caused by the tax package, which will increase revenues."

He admitted that "even though the monetary base is reduced by 50 percent to cover fiscal imbalances, market agents may still believe that there will be excessive liquidity in March."

Another Significant Fact

He added: "We have also seen that the balance of swap operations, through which we reduced liquidity, has been zero since 1 March; that is, no one has been willing to lend money to the Central Bank at a 20 percent monthly interest rate, which is the rate we paid in February."

He said: "If we continue to get funds through this mechanism, we will end up paying a large amount of interest, which could, in turn, aggravate the fiscal deficit. That is why we made a simple decision, which will only be enforced in March and which consists of a 5 percentage point increase in reserves for time deposits, savings accounts, and Bonexes."

He said: "This will allow us to absorb 2 billion australes, thus avoiding excessive liquidity that could be created by internal factors in March."

"They Can Rest Assured"

The minister said that due to the reduction [as published] of the legal reserve, "the economic agents who feared a strong increase in the dollar rate can rest assured because there will not be an excess of australes and the exchange market will return to normal."

He said: "This month we will continue to insist on reducing dollar-denominated prices without increasing the dollar rate. Therefore, collective bargaining on salaries will take place within a context of more stable prices."

The Situation in April

The minister said: "Prospects for April are encouraging because, according to our fiscal estimates, we could reach a balance in our fiscal accounts in australes and the treasury will probably register an operational surplus. This surplus could be enough to buy foreign currency for our payments abroad beginning in April."

He announced: "Measures will be implemented to fight tax evasion," adding that "measures for reducing public spending in the federal administration, the provinces, and state-run enterprises "will be announced this week.

"No Spectacular Announcement"

He noted: "We will implement the measures that have already been announced and that are linked to the reduction of prices by leading enterprises. We will implement a policy that will rapidly lead us to fiscal discipline, administrative reform, reduction of public spending, and privatization of state-run enterprises."

He reiterated that he is convinced that "the economy should be deregulated," adding that "no spectacular announcement is being prepared." He said: "There will not be strong devaluations and there will be no sudden or unexpected measures either."

He said: "There is total freedom for the purchase of dollars, and we are not planning to enforce any type of restriction because we think it is totally normal for financial institutions or the public to buy dollars."

"Agents Do Not Have Confidence"

The minister denied that economic agents are engaged in speculation maneuvers, but he admitted that "agents do

not have confidence because of the excessive liquidity." He reiterated that "there is no reason to modify the dollar floating exchange rate band."

He recalled that "the YPF [Government Oil Deposits] call for bids will be opened tomorrow," adding that "contracts for the central areas will soon be awarded." As for reduction of the treasury's operational deficit, he said it will be achieved through "the privatization of state-run enterprises."

Capitalization of the Domestic Debt

Asked about the most appropriate sectors for investment, the minister again recommended that the public invest their money in "savings accounts, time deposits, and dollars."

Concerning the inflation rate, he said: "I am sure it will drop in March," adding that "in February, it stood below 30 percent."

He said: "A method for capitalization of the domestic debt" will be announced in the near future, and this method "will surprise many people" because "the government will be able to cancel debts by selling assets."

Brazil

Joint Antiterrorist Actions Planned With Colombia

PY0503141091 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 Mar 91

[Text] Brazilian and Colombian Army troops have agreed to undertake joint actions to capture the guerrillas who attacked a detachment in the Amazon jungle. In this joint action the Colombians will conduct a dragnet in a gold-mining area under guerrilla control, while Brazilian troops will reinforce the guard on the border.

On 26 February 40 guerrillas attacked the special border battalion on the banks of the Traira River, near the Colombian border, killing three soldiers and wounding nine others.

Today Army Minister General Carlos Tinoco will ask President Fernando Collor for funds to deploy a border platoon in Serra da Traira, in the Amazon jungle, to prevent Colombian guerrillas from operating in Brazilian territory.

President Collor To Visit Uruguay 11 Mar

PY0603012691 Brasilia Domestic Service in Portuguese 2200 GMT 5 Mar 91

[Text] President Collor will travel to Uruguay on 11 March to sign some documents and release a joint communique from Artigas municipality. Before arriving in Artigas, the president will spend a few hours in Quarai, Rio Grande do Sul, where he will give a speech at the local square and hold a work meeting.

Government Pays Japanese Creditors $60 Million

PY0503232891 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 91 p 1-15

[By Neuza Sanches, from the Brasilia Bureau]

[Text] The government has reported the initiation of a new stage of understanding with Japanese creditors. This week $60 million were released to pay overdue interest owed to Japanese creditors such as Kawasaki and Mitsubishi, with which Brazil has had a debt since 1979.

The government's idea is to improve the country's image with Japanese creditors in order to help Economy Minister Zelia Cardoso de Mello gain new resources for short-term investments in Brazil. Zelia Cardoso is scheduled to visit Japan in April; she will participate in the annual meeting of the Inter-American Development Bank (IDB).

The last time Brazil obtained resources from the IDB was in mid-January when the Eduardo Modiano, president of the National Bank for Economic and Social Development (BNDES), left Washington with $550 million in signed contracts; $300 million were from the World Bank (IBRD—International Bank for Reconstruction and Development) and the remainder was from the IDB.

During her trip, the economy minister plans to meet with Japanese businessmen. Since January, Brazil has disbursed more than $160 million just to update overdue interest owed to enterprises such as Mitsubishi, Kawasaki, and Nitton Leasing, among others.

Those loans were made in 1979 and 1983 for the purchase of machinery and equipment for the Tubarao Iron and Steel Company (CST—a state company in the process of privatization). At that time, Brazil obtained $620 million from Japanese companies.

According to Jorge Fagali Neto, 47, assistant director of the Economy Ministry International Affairs Department, the payment of overdue interest to those creditors seeks to create a climate favorable to the country in order to obtain new resources.

"We do not intend to obtain large short-term resources, but we can improve our image in order to obtain them in a second round," he said.

The second round will come after an understanding with the IMF, whose directors must visit the country by mid-March. The objective of the visit is to update data on the country's economic situation and prospects for this year.

"Our current behavior has influenced the IMF and has had repercussions among other creditors of the country," Fagali Neto said.

Energy Program To Continue Until Strike Over

PY0603014091 Brasilia Domestic Service in Portuguese 2200 GMT 5 Mar 91

[Text] The infrastructure minister has asked the population to save fuel and has confirmed his intent to continue the fuel rationalization program until the oil workers strike ends. The fuel rationalization program will continue until the oil workers strike at the 10 national oil refineries ends. This was stated by Infrastructure Minister Ozires Silva, who asked the population to save energy.

[Begin Silva recording] This program is going well and is (?yielding good results). From the government's point of view, it would be unwise to suspend this program during an indefinite strike. If we knew how long the strike will last, perhaps we could make a decision. Unfortunately, we do not know how long it will last. Therefore, it would be good if we continue the program and ask the population to continue saving fuel to avoid a shortage during the oil workers strike. [end recording]

So far 200 oil workers have been fired. According to the minister, his ministry continues to approve the dismissals.

Banks To Offer Credit for Housing, Agriculture

PY0603014691 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 5 Mar 91

[Text] The Federal Savings Bank [CEF] will again grant credit for housing construction to individual clients who own land and earn at least 15 minimum salaries per month. The CEF will make 3 billion cruzeiros available per month to finance up to 70 percent of construction costs.

The president of BNDES [National Bank for Economic and Social Development], Eduardo Modiano, has announced the availability of agricultural credits for individual producers. These credits can also be applied to the purchase of tractors and machinery.

National Treasury Records Surplus in Feb

PY0603015091 Brasilia Domestic Service in Portuguese 2200 GMT 5 Mar 91

[Summary] The national treasury registered a 1.6-billion cruzeiros surplus in February. During the January-February period, the national treasury accumulated a surplus of 4 billion cruzeiros, while last year during the same period it recorded a 2-trillion cruzeiros deficit.

Chile

Explosion Near Army Building, Presidential Palace

PY0503171091 Santiago Radio Chilena Network in Spanish 1600 GMT 5 Mar 91

[Text] A bomb went off about 35 minutes ago in the parking lot of a building previously used by the Defense Ministry at Centeno and Bernardo O'Higgins Avenue. According to the initial police report, the bomb was thrown by a group of people who were going north on San Diego Street. The parking lot is located at the intersection of O'Higgins Avenue and San Diego, Centeno, and Alonso Ovalle Streets.

The explosion damaged a Chevrolet S-10 pickup and a blue Volkswagen. A Subaru van with license plate CJ8274 was also damaged.

GOPE [Special Police Operations Group] authorities are currently carrying out the appropriate investigations with some Air Force and Army officers. It should be mentioned that no one was injured in the attack, which took place at exactly 1230 today.

[Madrid EFE in Spanish at 1606 GMT on 5 March carries a report on the same incident, adding the following information: "The large explosion, which caused alarm in Santiago, took place at 1231 (1531 GMT) in the parking lot behind Army headquarters, 200 meters south of La Moneda Presidential Palace."]

'Noise Bomb' Caused Disturbance

PY0503182891 Madrid EFE in Spanish 1752 GMT 5 Mar 91

[Excerpt] Santiago, 5 Mar (EFE)—The police have reported that a bomb blast in a parking lot behind the Armed Forces building, 200 meters from the La Moneda presidential office building, caused no injuries. The blast occurred at 1231 (1531 GMT) today.

The report said that the explosion, which caused alarm in downtown Santiago, only damaged two vehicles parked in the lot, which is behind the building where General Augusto Pinochet, Army commander in chief, has his office.

Police experts who inspected the site said the device was a "noise" bomb. According to eyewitnesses, the bomb was thrown by two or three individuals in a passing car, which fled immediately. [passage omitted]

Officials, Union Leaders React to Aylwin Speech

PY0503191091

[Editorial Report] Santiago Radio Chilena Network in Spanish at 1600 GMT on 5 March, in its regular newscast, carries a variety of reports on reactions to last night's speech by President Patricio Aylwin on the Rettig Commission's report on human rights violations during the previous military regime.

The first reaction comes from Education Minister Ricardo Lagos who, a news report states, says that "the resignation of Army Commander General Augusto Pinochet would help to achieve harmony and national reconciliation after President Aylwin's revelation of the contents of the Rettig report." Lagos reportedly notes that the truth about the human rights violations has had

an impact on the people and that he holds the judicial branch and the armed institutions responsible for the human rights violations.

The report also carries a recorded statement by Volodia Teitelboim, secretary general of the Communist Party of Chile, who says: "Now that the truth is known, the question is whether justice will be done." Teitelboim refers to the Rettig report as the opening of a new period in national history and adds that the people responsible for human rights violations, as described in the Rettig report, must be tried. Teitelboim labels Aylwin's speech "a great moral gesture." He also points out that the military regime carried out state terrorism and that Pinochet is the individual responsible because he was the chief of state. He adds: "The Armed Forces must support national reconciliation. Innocent persons should not pay for the sins of the military institutions." He explains that his comments "are not directed against the Army and other military institutions, but against those who committed crimes."

Another item carries comments by Andres Saldivar, president of the Christian Democratic Party, who, in noting the challenges facing the country following the release of the Rettig report, is quoted as saying that "the judicial branch has the responsibility to carry out justice." The report adds that Saldivar also noted: "The amnesty law cannot prevent an investigation into the crimes that have been committed, and the Supreme Court must change its way of interpreting that law." Saldivar also rejects any arguments aimed at justifying the human rights violations.

German Molina, vice president of the Chilean Human Rights Commission, is quoted as saying that "the participation of the Dina [National Intelligence Directorate] and the CNI [National Intelligence Center] in brutal crimes has been proved; therefore, in order to not involve institutions, these organizations should cooperate in clarifying the crimes committed by some of their members." The item also carries a short recording of Molina's comments, in which he states: "Criminal responsibilities should affect people, not institutions; the institutions must therefore cooperate in clarifying the crimes."

The newscast also carries recorded comments by Erich Schnacke, president of the Coalition of Parties for Democracy, who says: "The Rettig report points out the responsibility of the Armed Forces commanders in the violation of human rights." He also states: "The members of the Armed Forces who were involved in the human rights violations should be separated from the military institutions. It is also necessary for the military institutions to accept the president's call to provide the available information on the whereabouts of victims."

Another item carries the reaction of the Central Labor Union (CUT), which expresses its "complete support for the proposals made by President Patricio Aylwin on the Rettig report, because they will allow us to see the truth and achieve reconciliation." CUT acting President Diego Olivares is reported to have said: "The truth is one thing, and carrying out justice is another. It depends on the courts, so we will support the bills the government will submit to reform the judicial branch. The CUT will continue to support the repeal of the amnesty law."

Taipei Delegation Arrives From Argentina

OW0603113191 Taipei CNA in English 0949 GMT 6 Mar 91

[Text] Buenos Aires, March 5 (CNA)—The Taipei sister city goodwill mission of the Republic of China [ROC] on Taiwan, led by speaker James C.C. Chen of the Taipei City Council, concluded its two-day visit in Argentina and left for Santiago, Chile, Tuesday morning.

Speaker Chen, however, left here Tuesday afternoon for Los Angeles en route home because of his tight official schedule. He is expected to arrive in Taipei Friday.

The remaining 12 mission members were warmly welcomed at the Santiago International Airport by Steven Wang, ROC representative in Chile, staff members of the Taipei Cultural and Economic Office and overseas Chinese community leaders.

Wang and his wife hosted a dinner party in honor of the group Tuesday night.

Colombia

Bogota Rejects CNG Proposal To Withdraw Forces

PA0503195291 Hamburg DPA in Spanish 1823 GMT 5 Mar 91

[Text] Bogota, 5 Mar (DPA)—The Colombian Government today rejected a proposal by the Simon Bolivar [National] Guerrilla Coordinating Board (CNG) for the Army to stop its operations, even temporarily, in a semi-jungle area in the country's interior in order to facilitate a peace dialogue between the two sides.

The military operations are taking place in an area in Meta Department, 160 km south of Bogota, where Army troops in December destroyed the main camps belonging to the Marxist Revolutionary Armed Forces of Colombia (FARC), the CNG's largest member.

Recently, President Cesar Gaviria's Liberal Party administration and the CNG agreed that the guerrilla organization would chose a place near the old FARC bases to hold the first peace meeting. The guerrilla leaders claim that this has not been been possible due to the military presence.

Jesus Bejarano, Gaviria's peace adviser, said that the CNG proposal is "unnacceptable," because there are places near La Uribe—where guerrillas have camps—not connected to the military operations.

According to the government and the CNG, this first meeting would serve to define the agenda for the talks, which afterward could take place in Spain, after approval by the Spanish authorities.

Bejarano said that in the event personal contacts between the Gaviria delegates and the guerrilla commanders failed, the agenda could be discussed over radio-telephone.

The CNG, which is made up by the FARC, the pro-Cuban Army of National Liberation (ELN), and a small dissident faction of the pro-Maoist Popular Liberation Army (EPL), increased their attacks following the military offensive against the first group. The attacks have been mostly directed against oil installations and power pylons, causing millions in losses to the state and to the industrial and commercial sectors.

An agreement between the government and the political parties allowed up to 15 March for the CNG members, if they showed a desire for peace and began a reconciliation process with the executive branch, to take part in the Constituent Assembly discussions, which is studying reforms to the Colombian Constitution.

Most of the EPL turned in their weapons on 1 March, after signing a peace agreement with the government. Therefore, two of their representatives take part with a right to vote in the Constituent Assembly, which ends its work in July.

Nevertheless, according to what was said, a Constituent Assembly commission will listen tomorrow morning by radio-telephone to the various CNG proposals on defending human rights.

CNG Said Delaying Talks; Setting Conditions

PA0603023891 Bogota Inravision Television Cadena 2 in Spanish 0056 GMT 6 Mar 91

[Text] A government communique released this afternoon announced that government troops will not be withdrawn from La Uribe—as previously requested by the Simon Bolivar National Guerrilla Coordinating Board [CNG].

The communique states that the CNG is delaying direct talks and adds that the government clearly cannot withdraw its forces from La Uribe, as demanded by the guerrillas, because such action would constitute a unilateral cease-fire—a condition that was not agreed on during the early talks.

[Begin recording of Government Minister Humberto de la Calle Lombana] The government is willing to participate in the first meeting in La Uribe or elsewhere in the country. Moreover, we are willing to dispense with the first meeting that was to be held in Colombia and participate in direct talks outside the country. [end recording]

The Executive Branch is ready to facilitate the CNG delegates' travel abroad. Even though the communique does not state it, the minister of political affairs has said that only the government and the guerrillas should attend the first meeting. De la Calle has confirmed that the red telephone is open for possible preliminary talks.

EPL Leadership Forms New Political Party

PA0503170691 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 4 Mar 91

[Text] The Hope, Peace, and Liberty [Esperanza, Paz, y Libertad—EPL] political party has been officially formed here in Medellin, thus reiterating the firm intention of the Popular Liberation Army [EPL] to reincorporate itself into civilian life.

In a ceremony taking place right now at the Convention and Exhibition Center, the top-ranking leaders of the defunct EPL are reaffirming their resolve to lay down their weapons before representatives of the national and departmental governments.

Trusting in the good intentions of the former guerrilla movement, the government minister, the presidential adviser on peace, and several Constituent Assembly members are witnesses to this new hope for peace.

[Begin recording] [Reporter Margarita Tobon] Are the guarantees that the government spoke of being honored? Do you expect they will all be honored?

[Bernardo Gutierrez, former EPL commander] That is what we hope: that the government will honor the provisions of the agreement. Apart from that which concerns the government, we also hope this reintegration process will include social reintegration in strife-torn areas, and that efforts will continue to be made to reach a social pact with the parties involved in the violence.

[Government and Interior Minister Humberto De La Calle] I believe this is a far-reaching event in the life of Colombia. We are very pleased, and we believe that this can really be an example for those groups that insist on armed activities. [end recording]

We should point out that former Commander Bernardo Gutierrez did not give much credit to an alleged FARC [Revolutionary Armed Forces of Colombia] plan, supposedly to assassinate him, that was uncovered on 1 March.

Priest, Councilmen, 11 Others Killed on 3 Mar

PA0403001191 Madrid EFE in Spanish 2141 GMT 3 Mar 91

[Text] Bogota, 3 Mar (EFE)—A priest, the vice president of a municipal council, and 11 other persons were murdered today in isolated incidents in different parts of Colombian territory, while the police rescued a soccer coach who had been kidnapped.

Police sources stated that in Armenia (capital of Quindio Department in the midwestern part of the country), an unidentified group strangled Guillermo Gil, a 61-year-old priest. Gil, chaplain of the technical industrial institute of Armenia, was found dead in his house in the downtown part of the city.

Authorities found the body of politician Jose Aristarco Farfan, vice president of the municipal council of Anzoategui, in a river in the central department of Tolima. Farfan, 31, was a member of the Conservative Socialist Party and, according to police reports, he was shot by his killers before he was thrown in the river.

The police also found the bodies of four youths today in La Candelaria neighborhood, in the southernmost part of Bogota. According to the police, the youths were the victims of "an execution" among criminal bands.

In Buenavista, Cordoba Department, four persons were shot and killed apparently by guerrillas, who accused them of being "Army informers." The four victims ranged in age between 17 and 28. Their bodies showed signs of having been tortured, and their hands were tied, according to the same official sources.

Also, in Barranquilla, capital of the northern Department of Atlantico, Evangelista Maestre, his wife Ana Elena, and their 15-year-old son were shot to death in crimes attributed to personal vendettas.

Last, in Risaralda Department, also in the midwestern part of Colombia, Hugo Tobon Abad, an attorney and soccer coach, was rescued in the Department of Risaralda, also in the midwestern part of Colombia, hours after he was kidnapped by three unidentified persons. A police spokesperson said that Tobon Abad, a coach for the Risaralda youth soccer team, was found handtied and gagged in a vehicle that was stopped at a police checkpoint in outlying Pereira, capital of Risaralda Department.

UP President Says Party Members Under Attack

PA0603041691 Bogota Inravision Television Cadena 2 in Spanish 0055 GMT 6 Mar 91

[Report by William Calderon]

[Text] Once more, the National Coordinating Board of the Patriotic Union [UP] has denounced that, as a result of the recent attacks in the country, a wave of well-planned and coordinated murders of UP militants has been unleashed.

Out of all the dead resulting from violence in Colombia, 1500 are members of the UP. During the first two months of 1991, over 50 members of the UP have been killed, while 13 others are missing. Today, members of the UP National Coordinating Board reported the aforementioned information to the government minister so that he will begin investigating the incidents, because only four out of 1,500 murders have been resolved. The remaining murders have all gone unpunished.

The president of the left-wing UP has blamed paramilitary groups for the elimination of UP militants.

[Begin recording] [UP President Carlos Romero] We also believe that there are soldiers who have ties with paramilitary forces. In the beginning, they belonged to the MAS [Death to Kidnappers] and participated in the organized crime campaign against UP members. [end recording]

If the murders continue as they have nearly every day, the UP National Coordinating Board members warned that they will not remain inactive. They concluded that it is possible they will have to leave the country.

Ecuador

Government Reports Spread of Cholera From Peru

PA0503193691 Hamburg DPA in Spanish 1641 GMT 5 Mar 91

[Text] Quito, 5 Mar (DPA)—Local authorities reported today that the cholera epidemic, which started in Peru in February, has now reached Ecuador; 1 person has died and 36 are ill. Two sites of contagion have been located near the border with Peru.

Health Minister Plutarco Naranjo said this morning during an interview with the Ecuavisa television station: "We are undertaking significant measures to keep the outbreak under control; we have mobilized brigades all along the border."

The minister acknowledged there are 11 cases in Bajoalto and 10 in La Puntilla, two small fishing towns in Ecuador's extreme south. Groups of Peruvian fishermen, alleged cholera carriers, were there last week, thus spreading the disease.

According to the minister, there are approximately 15 persons who "are carrying the disease" who reportedly have already traveled to other coastal areas; they could spread the disease. The minister confirmed the death of a 45-year-old women in Bajoalto. "The health authorities learned about this case when the women had already passed away," the minister said.

The two towns which were affected were quarantined; entry into and departure from the town has been totally prohibited. Meanwhile, the authorities requested that any possible cholera case be reported "immediately."

Over the weekend, different versions persistently circulated regarding the outbreak of the cholera epidemic in Ecuador;, however, it was not until today that it was confirmed by the authorities. "All the analyses had to be made before alarming the community," explained Naranjo.

The minister emphasized that the 21 ill persons "are not in any danger" and confirmed they will be released tomorrow. According to the official version, "there is no risk of death in the which are attended to early."

In Huaquilias town, where the largest amount of trade between Ecuador and Peru is conducted, cholera has not been reported. This, according to the authorities, demonstrates the efficiency of the controls being enforced.

Previously, the health minister had reported there was a sufficient supply of serum and medicines to combat any outbreak of cholera in Ecuador. Besides, mobile epidemiological brigades and laboratories have been sent to southern Ecuador near the Peruvian border since last week, where they have been carrying out permanent controls.

The government considered it unavoidable that the cholera epidemic would spread to Ecuador, given the extensive common border with Peru spanning from the Pacific Ocean to the Amazon jungles, passing through the high peaks of the Andes. "This is why the outbreak did not take us by surprise," the health minister added.

Reportage on Borja Visit to France, Belgium

WA0103174291

For reportage on the visit by President Rodrigo Borja to France and Belgium, including reports on his talks with French Prime Minister Michel Rocard and Paris Mayor Jacques Chirac, please see the France section of the 1 March West Europe DAILY REPORT and subsequent issues.

Paraguay

Government Decree Reorganizes Regional Delegates

PY0603024091 Asuncion ULTIMA HORA in Spanish 4 Mar 91 p 59

[Text] This morning the executive branch issued a decree designating new government delegates in some cases and reshuffling incumbent delegates in other cases.

Decree 8821 states that Arsenio Benitez Vazquez has been named as the new government delegate to San Pedro Department, replacing Anibal Cabrera Veron whose mission has ended; Julio Andres Gutierrez has been named government delegate to Caaguazu Department, replacing Colonel DEM [General Staff School graduate] Eleuterio Servin Ramirez (retired) who has been assigned to other duties; Jose Maria Bottino has been named as the government delegate to Misiones Department, replacing Juan Vicente Caballero whose mission has ended; and Captain Juan Bautista Gonzalez Flores (retired) has been named as the government delegate to Paraguari Department, replacing Gregorio Ramon Morales who has been named government delegate to Alto Parana Department.

Police Inspector General Pablino Benitez Bareiro has been named government delegate to Amambay Department, replacing General Amado Hernando Solis Duarte (retired) whose mission has ended.

The executive branch also appointed Police Inspector General Pedro Osvaldo Palacios (retired) as government delegate to Presidente Hayes Department, replacing Favio Ramon Morales whose mission has ended.

The new government delegate to Boqueron Department is Colonel Eleuterio Servin Ramirez (retired), replacing Andres Julio Gutierrez.

The executive branch is fulfilling its announced reorganization of the functions of government delegates with these appointments. The new delegates' mandate will end in 1993.

General Machuca Defends Changes

PY0603024691 Asuncion HOY in Spanish 5 Mar 91 p 15

[Excerpt] Interior Minister General Orlando Machuca Vargas said yesterday that the decision to make changes in eight government delegations has no political connotation. He also downplayed the Colorado Party Executive Board's criticism that the Interior Ministry is exerting pressure in support of the candidacy of [Education Minister] Angel Roberto Seifart for president of the Colorado Party. Machuca Vargas said: "Changes, in general, are helpful because of their renewing effect." [passage omitted]

Police Prevent Peasant March in San Estanislao

PY0503203691 Asuncion ULTIMA HORA in Spanish 4 Mar 91 p 16

[Erwing Rommel, Daniel Piris, and Leonci Ferreira report]

[Excerpt] San Estanislao—In pure Stroessnerist style, the police forces of this town prevented a peasant march called by the Paraguayan Peasant Movement (MCP) to protest the 550-guarani price that has been set for cotton. The MCP also demanded authentic, comprehensive land reform.

A group of approximately 60 people, all of them peasants from Yataity del Norte, could not reach the downtown sector of San Estanislao, where the march was to take place. A strong police cordon at the Tacuara crossroads took the peasants' identification cards and delayed them for several hours.

MCP Secretary General Gabriel Garcia said: "Once again, in a totally arbitrary manner, the local police have prevented us from staging a symbolic action in support of our rights, despite the fact that this type of peasant demonstration is known to be completely peaceful."

He added: "This attitude on the part of the San Estanislao police opposes the wishes for democratization that now prevail in our country. We should recall, however, that we are in a town that has always been a stronghold of the dictatorship and where the repressive structure of the past undoubtedly remains operational." [passage omitted]

Temporary Replacement Named for Directorate Head

PY0503222491 Asuncion ABC COLOR in Spanish 5 Mar 91 p 10

[Summary] President Andres Rodriguez has again invited Augusto Ocampos Caballero to replace Juan Ernesto Villamayor as head of the Presidency Information and Culture Directorate. Villamayor was given a 60-day leave of absence without pay to run for mayor of Asuncion. Ocampos Caballero has promised to permanently cooperate with the press and "keep the doors open."

Peru

ILD Decides To 'Suspend' Government Cooperation

Democratization Bill Blamed

PY0503172091 Lima RTP Television Network in Spanish 1100 GMT 5 Mar 91

[Interview with Alberto Bustamante, coordinator for the Institute for Liberty and Democracy, by unidentified reporters; place and date not given—recorded; first paragraph is Lima RTP Television introduction]

[Text] Alberto Bustamante, Institute for Liberty and Democracy [ILD] coordinator, has confirmed that the ILD has decided to suspend its cooperation with the government.

[Bustamante, in progress] ...its cooperation with the supreme government as a result of the fanciful, incomplete, and inaccurate summary published by the official newspaper EL PERUANO on 2 March, on our alleged proposal to democratize the government.

This ILD decision is not a whim or an irritated reaction to the fact that the ILD has not been heard. It is a logical consequence of the government's failure to adequately acknowledge the system we proposed and its intention to replace it with an entirely different one. Further details on the situation will be reported tomorrow by the ILD chairman at ILD headquarters.

[Reporter] Basically, which aspects of the supreme decree published on 2 March bothered the ILD?

[Bustamante] The fact that, following the historical tradition of the country, the ministers chose to adopt an authoritarian attitude which ignores the contributions of the people and to reject an option which was definitively more democratic than the one adopted.

[Reporter] What are the consequences of the ILD's decision? Will the government have to modify its position?

[Bustamante] We do not know what the consequences will be, mostly because there has been no direct contact with the president of the Republic and the issue has not been analyzed. That is why I am talking about suspending our cooperation, and not about putting a definite end to it. We still do not know the reaction of the president of the Republic and the executive branch.

Prime Minister Briefs Press

PY0503233491 Lima RTP Television Network in Spanish 1100 GMT 5 Mar 91

[Excerpts] The bill to democratize government decisions was analyzed and unanimously approved by the cabinet and President Alberto Fujimori. This was reported by Prime Minister Carlos Torres y Torres Lara, who expressed his respect for Hernando de Soto and exorted him to continue to act in his field of competence.

The prime minister said during a news conference that the government will not implement any new economic packages. It will only introduce changes to existing programs, and these changes will be revealed during his testimony in Congress.

[Begin recording] [Torres y Torres] The document published in the official newspaper, EL PERUANO, was reviewed and analyzed during a Council of Ministers meeting on 1 March, which was chaired by the president of the Republic. The document published in EL PERUANO was unanimously approved as a draft bill. I would like to point out that, as will often happen in the future, this was approved as a bill and it can be modified by the people. If the bill has negative aspects, they will be modified and the bill will be improved. I repeat, however, that the bill published on 2 March was unanimously approved at a Council of Ministers meeting chaired by the president of the Republic. [passage omitted]

The bill discussed during the meeting was based on a bill drafted by aides. Aspects of the bill that we deemed unconstitutional, illegal, or inadequate for the democratization process were eliminated. The document was thus reduced, but it is basically the same. [passage omitted]

[Unidentified reporter] Does that mean that as a result, Hernando de Soto will [words indistinct]?

[Torres y Torres] We hope this decision does not cause divisions. We know the skills of our aide, Hernando de Soto, but he must realize that it is one thing to be an aide and another to have political responsibility. This is why I take this opportunity to urge Hernando de Soto and the ILD [Institute for Liberty and Democracy] to understand the responsibilities of an aide and to respect our

responsibilities as leaders in charge of national political activities. I also urge them to realize that each one of us must act in his own field. [passage omitted]

[Reporter] [Words indistinct] will there be economic readjustments?

[Torres y Torres] Economic readjustments are constantly being made. If you are asking about an economic package or any unexpected measure, I must tell you that there will be no such thing. The Council of Ministers is studying an economic and social plan. This plan will be carefully implemented in accordance with general guidelines that will be reported to Congress. [passage omitted] [end recording]

Venezuela

Airplane Missing; Authorities Suspect Hijacking

PA0603012291 Caracas Venezolana de Television Canal 8 in Spanish 0031 GMT 6 Mar 91

[Excerpt] A Venezuela Aeropostal Airline plane that runs the Maracaibo-Santa Barbara route in Zulia State has been missing since this afternoon with 38 passengers and five crew members aboard. According to a report by Renata Galupo, our correspondent in that state, the DC-930 aircraft, No. YV-23C, took off from the La Chinita Airport at 1610. When it failed to reach its destination at the expected time, Civil Aeronautic authorities declared an emergency. Several airplanes and one National Guard helicopter searched the route the missing airplane should have travelled, but found no signs of an accident.

This leads the authorities to think that the aircraft could have been hijacked and taken to a destination along the border with Colombia. [passage omitted]

Guyana

Two Opposition MP's Asked To Vacate Seats

FL0503131591 Bridgetown CANA in English 1215 GMT 5 Mar 91

[Text] Georgetown, Guyana, March 5, CANA—Two opposition People's Progressive Party (PPP) parliamentarians were asked Monday to vacate their seats for being absent from the National Assembly for six consecutive sittings. The assembly also approved a government motion to expel a third PPP member Isahak Basir for throwing a glass of water at speaker Sase Narain on January 14 when the assembly voted to extend the life of the current Parliament and delay general elections here to facilitate preparation of new voters list. Basir was absent.

When Narain asked Cyril Belgrave and Harry Persaud Nokta to explain their absence, Nokta said the speaker was inviting opposition members to insult him and walked out. Belgrave said he was in St. Vincent, but Narain said this was no excuse. The MP initially refused to leave but did so voluntarily after a senior police officer was called.

The PPP and the other two opposition parties are boycotting National Assembly sittings to protest the extension of the life of Parliament. The PPP however said its members would show up only when electoral matters are down for debate. On the order paper for the Monday afternoon sitting was a bill to facilitate electoral reform.

The PPP now holds six of the 11 opposition seats. Originally the party held nine seats. The Working People's Alliance (WPA) has vacated its lone seat to protest the extension of Parliament. The United Force (UF) is also staying away from Parliament in protest.

Meanwhile, the Assembly unanimously passed the electoral reform bill seeking to restrict overseas voting to ambassadors and high commissioners, other diplomats, and their immediate families. Other overseas-based Guyanese, in order to vote outside the country, now must first return home to be registered on the voters list.

PPP frontbencher Reepu Daman Persaud described the bill as "ambiguous, contradictory, and confusing" and said his party was "deeply concerned" about current electoral reforms. "If elections are to be free and fair, then electoral legislation must be clear and straightforward so as to remove any confusion," Persaud said.

Opposition have repeatedly hurled accusations of election rigging at the incumbent People's National Congress (PNC) government, in power here since 1964. Overseas voting was always controversial with the opposition parties which contended it was used to facilitate fraud. Persaud called for overseas voting to be abolished and said he may take the matter to court.

Caricom Common External Tariff Introduced 1 Mar

FL0503011791 Bridgetown CANA in English 2202 GMT 4 March 91

[Text] Georgetown, Guyana, March 4, CANA—Guyana's comptroller of Customs, Clarence Chue, says introduction of the Caribbean Community (Caricom) [Caribbean Common Market] Common External Tariff (CET) on March 1 has produced no major problems. Chue also said he anticipated no major problems in the future.

Revised rules of origin, accompanying the CET, were also instituted Friday.

Guyana became the third of the 12 common market states to introduce the CET, a harmonised tariff system aimed at protecting fledgling regional industries. Trinidad and Tobago and Jamaica implemented the CET before Guyana.